



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Second Quarter ended 30 June 2020 (Unaudited)**

	Current Quarter Ended 30-Jun-20 (Unaudited) RM'000	Corresponding Quarter Ended 30-Jun-19 (Unaudited) RM'000	Cumulative Period To Date 30-Jun-20 (Unaudited) RM'000	Corresponding Period To Date 30-Jun-19 (Unaudited) RM'000
Revenue	170,947	247,179	343,004	403,587
Operating expenses	(129,856)	(133,332)	(242,209)	(263,179)
Gross profit	41,091	113,847	100,795	140,408
Other income	644	2,679	115	2,987
Administration expenses	(27,907)	(28,688)	(54,254)	(50,014)
Other operating expenses	(305)	(1,447)	(4,069)	(366)
Results from operating activities	13,523	86,391	42,587	93,015
Finance costs	(11,793)	(15,414)	(24,672)	(32,188)
Finance income	2,381	1,411	5,215	3,097
Net finance costs	(9,412)	(14,003)	(19,457)	(29,091)
Profit before tax	4,111	72,388	23,130	63,924
Income tax expense	(6,139)	(19,448)	(16,910)	(28,137)
(Loss)/Profit for the period	(2,028)	52,940	6,220	35,787
Other comprehensive (expense)/income, net of tax				
Foreign currency translation	(5,348)	16,049	49,879	732
Cash flow hedge	-	-	-	(78)
Other comprehensive (expense)/income for the period, net of tax	(5,348)	16,049	49,879	654
Total comprehensive (expense)/income for the period	(7,376)	68,989	56,099	36,441
(Loss)/Profit for the period				
Attributable to:				
Owners of the Company	(985)	55,090	8,340	50,955
Non-controlling interest	(1,043)	(2,150)	(2,120)	(15,168)
	(2,028)	52,940	6,220	35,787
Total comprehensive (expense)/income for the period				
Attributable to:				
Owners of the Company	(4,403)	64,797	40,223	51,353
Non-controlling interest	(2,973)	4,192	15,876	(14,912)
	(7,376)	68,989	56,099	36,441
Weighted average number of ordinary shares in issue ('000)	1,061,291	964,810	1,061,291	964,810
Basic (loss)/earnings per ordinary share (sen)	(0.09)	5.71	0.79	5.28

(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 2019 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Financial Position
As at 30 June 2020 (Unaudited)

	UNAUDITED AS AT 30-Jun-20 RM'000	AUDITED AS AT 31-Dec-19 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,393,949	1,371,684
Refundable deposits	12,000	12,000
Goodwill	653,627	653,627
Deferred tax asset	17,833	17,833
TOTAL NON CURRENT ASSETS	2,077,409	2,055,144
CURRENT ASSETS		
Inventories	7,525	7,411
Contract assets	222,936	226,579
Trade and other receivables	143,756	330,537
Deposits and prepayments	2,853	7,941
Current tax assets	5,613	2,636
Cash and cash equivalents	446,309	316,915
TOTAL CURRENT ASSETS	828,992	892,019
TOTAL ASSETS	2,906,401	2,947,163
EQUITY AND LIABILITIES		
EQUITY		
Share capital	761,751	761,751
Reserves	727,858	672,783
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,489,609	1,434,534
NON-CONTROLLING INTEREST	331,621	330,597
TOTAL EQUITY	1,821,230	1,765,131
NON CURRENT LIABILITIES		
Loans and borrowings	684,526	694,213
Deferred tax liabilities	75,795	75,795
TOTAL NON CURRENT LIABILITIES	760,321	770,008
CURRENT LIABILITIES		
Loans and borrowings	115,324	115,817
Trade and other payables	179,269	252,431
Current tax liabilities	30,257	43,776
TOTAL CURRENT LIABILITIES	324,850	412,024
TOTAL LIABILITIES	1,085,171	1,182,032
TOTAL EQUITY AND LIABILITIES	2,906,401	2,947,163
Net assets per share (sen)	140	135

(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 2019 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity
For the Second Quarter ended 30 June 2020 (Unaudited)**

	Attributable to the Owners of the Company			Total	Non-controlling interest	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 2019	672,988	57,415	393,155	1,123,558	176,251	1,299,809
Profit for the year	-	-	230,946	230,946	(9,092)	221,854
Foreign currency translation differences for foreign operations	-	(6,885)	-	(6,885)	(4,498)	(11,383)
Cash flow hedge	-	(47)	-	(47)	(31)	(78)
Total comprehensive income for the year	-	(6,932)	230,946	224,014	(13,621)	210,393
Issuance of ordinary shares	88,763	-	-	88,763	-	88,763
Share issue expenses	-	-	(1,801)	(1,801)	-	(1,801)
Issuance of Redeemable Convertible Preference Shares by a subsidiary	-	-	-	-	167,967	167,967
At 31 December 2019	761,751	50,483	622,300	1,434,534	330,597	1,765,131



Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the Second Quarter ended 30 June 2020 (Unaudited)

	Attributable to the Owners of the Company				Non-controlling interest	Total Equity
	Non-Distributable		Distributable	Total		
	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 period	-	-	8,340	8,340	(2,120)	6,220
Foreign currency translation differences for foreign operations	-	31,883	-	31,883	17,996	49,879
Total comprehensive income for the period	-	31,883	8,340	40,223	15,876	56,099
Dilution of NCI interest in a subsidiary	-	-	14,852	14,852	(14,852)	-
At 30 June 2020	761,751	82,366	645,492	1,489,609	331,621	1,821,230

(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 2019 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Cash Flows
For the Second Quarter ended 30 June 2020 (Unaudited)

	Current period-to-date (unaudited) 30-Jun-20 RM'000	Corresponding period-to-date (unaudited) 30-Jun-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,130	63,924
Adjustments for:-		
- Non-cash items	59,971	53,386
- Non-operating items	19,818	43,583
Operating profit before changes in working capital	102,919	160,893
<u>Changes in working capital</u>		
Inventories	(114)	(674)
Trade and other receivables	188,575	(35,087)
Trade and other payables	(67,129)	(96,532)
Total changes in working capital	121,332	(132,293)
Cash generated from operations	224,251	28,600
Interest received	5,215	2,131
Income tax paid	(34,014)	(18,993)
Total interest and tax paid	(28,799)	(16,862)
Net cash generated from operating activities	195,452	11,738
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of fixed deposits	-	1,661
Proceeds from disposal of property, plant and equipment	6	-
Acquisition of property, plant and equipment	(28,118)	(12,360)
Net cash used in investing activities	(28,112)	(10,699)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(17,642)	(59,961)
Guarantee fee paid	(1,767)	-
Term loan interest paid	(3,297)	(21,397)
Coupon paid	(20,500)	(10,881)
Net cash used in financing activities	(43,206)	(92,239)
Net increase/(decrease) in cash and cash equivalents	124,134	(91,200)
Effect of exchange rate movements	5,260	(775)
Cash and cash equivalents at the beginning of the period	316,915	195,649
Cash and cash equivalents at the end of the period	446,309	103,674
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	371,369	44,967
Cash and bank balances	74,940	63,130
	446,309	108,097
Less: Deposits pledged as security	-	(4,423)
Cash and cash equivalents	446,309	103,674

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 2019 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 2019 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 2019, except for the adoption of the following Accounting Standards, Amendments and Interpretations from 1 January 2020:

MFRS/ Amendment/ Interpretation	Effective date
Amendments to MFRS 3, <i>Business Combinations</i> (<i>Definition of a Business</i>)	1 January 2020
Amendments to MFRS 101, <i>Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material</i>	1 January 2020
Amendments to MFRS 9, <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and measurement</i> and MFRS 7 <i>Financial Instruments: Disclosures – Interest Rate Benchmark Reform</i>	1 January 2020

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

- From the annual period beginning on 1 January 2020 for these amendments that are effective for annual periods beginning on or after 1 January 2020.

---The rest of this page has been intentionally left blank---



A2. Changes in Accounting policies (Cont'd)

A2.2 Accounting Standards, Amendments and Interpretations issued but not yet effective

MFRS/ Amendment/ Interpretation	Effective date
MFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</i>	1 January 2022
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group and the Company.

From the annual period beginning on 1 January 2022 for the amendment that is effective for annual periods beginning on 1 January 2022.

The initial application of the above accounting standards, amendments or interpretations is not expected to have any material financial impacts on the financial statements of the Group 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 2019.

---The rest of this page has been intentionally left blank---

**A4. (Loss)/Profit for the period**

	Current quarter ended (unaudited)	Corresponding quarter ended (unaudited)	Current period-to-date (unaudited)	Corresponding period-to-date (unaudited)	Preceding quarter (unaudited)
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	31-Mar-20
	RM'000	RM'000	RM'000	RM'000	RM'000

(Loss)/Profit for the period is arrived at after crediting/(charging):

Other income

Reversal of impairment loss on property, plant and equipment	-	2,818	-	2,818	-
Unrealised gain on foreign exchange	615	-	-	-	-
Others	29	(139)	115	169	86
Total other income	644	2,679	115	2,987	86

Other expenses

Realised loss on foreign exchange	(305)	(73)	(381)	(31)	(76)
Unrealised loss on foreign exchange	-	(1,374)	(3,688)	(335)	(4,303)
Total other expenses	(305)	(1,447)	(4,069)	(366)	(4,379)
Grand total of other income/(expenses)	339	1,232	(3,954)	2,621	(4,293)

Depreciation of property, plant and equipment	(28,949)	(28,159)	(56,282)	(55,896)	(27,333)
--------------------------------------------------	----------	----------	----------	----------	----------

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 30 June 2020.

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 and financial period to-date, 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 income comprise net realised/unrealised foreign exchange gain of RM0.3 million and net realised/unrealised foreign exchange loss of RM4.0 million respectively whereas other comprehensive expenses includes foreign currency translation loss of RM5.3 million and foreign currency translation gain of RM49.9 million respectively.

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 conversion of 1,431,013,696 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.

A9. Dividend

No dividend has been declared or paid for the financial year ended 31 December 2019 and the current period ended 30 June 2020.

---The rest of this page has been intentionally left blank---

**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 ended 30 June 2020	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Adjustments RM'000	Consolidated RM'000
Revenue							
External revenue	-	112,436	45,585	-	158,021	12,926	170,947
Inter-segment revenue	838	-	32,571	4,563	37,972	(37,972)	-
Total revenue	838	112,436	78,156	4,563	195,993	(25,046)	170,947
Results							
Segment results	27	22,015	(2,354)	1,439	21,127	(7,604)	13,523
Finance costs							
Finance costs	(10,549)	-	(1,244)	-	(11,793)	-	(11,793)
Inter-segment finance costs	(5,038)	-	(2,543)	-	(7,581)	7,581	-
Total finance costs	(15,587)	-	(3,787)	-	(19,374)	7,581	(11,793)
Finance income							
Finance income	1,136	966	255	24	2,381	-	2,381
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	1,136	966	255	24	2,381	-	2,381
(Loss)/Profit before tax	(14,424)	22,981	(5,886)	1,463	4,134	(23)	4,111
Taxation							(6,139)
Loss after tax							(2,028)

---The rest of this page has been intentionally left blank---

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

Corresponding quarter ended 30 June 2019	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
Revenue							
External revenue	-	201,613	45,566	-	247,179	-	247,179
Inter-segment revenue	1,261	-	53,017	3,659	57,937	(57,937)	-
Total revenue	1,261	201,613	98,583	3,659	305,116	(57,937)	247,179
Results							
Segment results	(429)	76,125	17,061	1,627	94,384	(7,993)	86,391
Finance costs	(5,039)	(392)	(9,983)	-	(15,414)	-	(15,414)
Inter-segment finance costs	(4,326)	-	(3,667)	-	(7,993)	7,993	-
Finance costs	(9,365)	(392)	(13,650)	-	(23,407)	7,993	(15,414)
Finance income	129	550	687	45	1,411	-	1,411
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	129	550	687	45	1,411	-	1,411
(Loss)/Profit before tax	(9,665)	76,283	4,098	1,672	72,388	-	72,388
Taxation							(19,448)
Profit after tax							52,940

---The rest of this page has been intentionally left blank---

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

Current 6 months ended 30 June 2020	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Adjustments RM'000	Consolidated RM'000
Revenue							
External revenue	-	245,943	84,135	-	330,078	12,926	343,004
Inter-segment revenue	2,100	-	65,092	9,069	76,261	(76,261)	-
Total revenue	2,100	245,943	149,227	9,069	406,339	(63,335)	343,004
Results							
Segment results	362	60,551	(17,831)	3,541	46,623	(4,036)	42,587
Finance costs	(22,039)	-	(2,633)	-	(24,672)	-	(24,672)
Inter-segment finance costs	(9,786)	-	(5,154)	-	(14,940)	14,940	-
Finance costs	(31,825)	-	(7,787)	-	(39,612)	14,940	(24,672)
Finance income	2,581	1,925	669	40	5,215	-	5,215
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	2,581	1,925	669	40	5,215	-	5,215
(Loss)/Profit before tax	(28,882)	62,476	(24,949)	3,581	12,226	10,904	23,130
Taxation							(16,910)
Profit after tax							6,220

---The rest of this page has been intentionally left blank---

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

Corresponding 6 months ended 30 June 2019	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
Revenue							
External revenue	-	328,960	74,627	-	403,587	-	403,587
Inter-segment revenue	2,531	-	69,613	5,542	77,686	(77,686)	-
Total revenue	2,531	328,960	144,240	5,542	481,273	(77,686)	403,587
Results							
Segment results	(472)	110,035	(3,936)	1,783	107,410	(14,395)	93,015
Finance costs	(10,320)	(792)	(21,076)	-	(32,188)	-	(32,188)
Inter-segment finance costs	(8,067)	-	(6,328)	-	(14,395)	14,395	-
Finance costs	(18,387)	(792)	(27,404)	-	(46,583)	14,395	(32,188)
Finance income	257	1,393	1,391	56	3,097	-	3,097
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	257	1,393	1,391	56	3,097	-	3,097
(Loss)/Profit before tax	(18,602)	110,636	(29,949)	1,839	63,924	-	63,924
Taxation							(28,137)
Profit after tax							35,787

---The rest of this page has been intentionally left blank---

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

As at 30 June 2020	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	1,709,997	1,185,175	1,612,800	65,185	4,573,157	(1,690,202)	2,882,955
Deferred tax assets	-	-	17,833	-	17,833	-	17,833
Current tax assets	-	-	4,990	623	5,613	-	5,613
Total assets	1,709,997	1,185,175	1,635,623	65,808	4,596,603	(1,690,202)	2,906,401
Segment liabilities	1,098,362	185,968	398,253	8,559	1,691,142	(712,023)	979,119
Deferred tax liabilities	-	3,689	59,618	2,459	65,766	10,029	75,795
Current tax liabilities	390	29,243	624	-	30,257	-	30,257
Total liabilities	1,098,752	218,900	458,495	11,018	1,787,165	(701,994)	1,085,171

As at 30 June 2019	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	766,307	640,643	1,439,642	52,153	2,898,745	(342,154)	2,556,591
Deferred tax assets	-	-	25,559	-	25,559	-	25,559
Current tax assets	-	-	2,265	507	2,772	-	2,772
Total assets	766,307	640,643	1,467,466	52,660	2,927,076	(342,154)	2,584,922
Segment liabilities	183,924	(128,063)	684,259	2,779	742,899	392,252	1,135,151
Deferred tax liabilities	-	4,205	60,734	1,166	66,105	7,671	73,776
Current tax liabilities	186	36,167	44	-	36,397	3,348	39,745
Total liabilities	184,110	(87,691)	745,037	3,945	845,401	403,271	1,248,672

**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, except for immaterial amounts related to hedge accounting.

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) 30-Jun-20 RM'000	Corresponding quarter ended (unaudited) 30-Jun-19 RM'000	Current period-to-date (unaudited) 30-Jun-20 RM'000	Corresponding period-to-date (unaudited) 30-Jun-19 RM'000
Type of services				
Topside maintenance services				
Unit rate	40,137	127,462	93,840	223,016
Lump sum	72,808	71,998	152,971	105,944
Fee	862	-	1,247	-
Reimbursable	11,555	2,153	10,811	-
Marine offshore support services				
Charter of vessels	45,585	44,441	84,135	72,253
Others	-	1,125	-	2,374
	170,947	247,179	343,004	403,587
Timing of revenue recognition				
Services transferred over time				
Topside maintenance services				
Unit rate	40,137	127,462	93,840	223,016
Lump sum	72,808	71,998	152,971	105,944
Fee	862	-	1,247	-
Marine offshore support services				
Charter of vessels	45,585	44,441	84,135	72,253
Others	-	1,125	-	2,374
Services transferred at the point in time				
Reimbursable	11,555	2,153	10,811	-
	170,947	247,179	343,004	403,587

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

The following information reflects the typical transactions of the Group.

Type of contracts	Timing of recognition or method used to recognise revenue	Significant payment terms
Lump sum	Revenue is recognised overtime using the cost incurred method.	Credit periods of 30 days from invoice date.
Unit rate	Revenue is recognised overtime using the cost incurred method.	Credit periods of 30 days from invoice date.
Fee	Revenue is recognised overtime as and when the equipment hiring services are performed using the cost incurred method.	Credit periods of 30 days from invoice date.
Chartering of vessels	Revenue is recognised overtime as and when the charter hire services are performed 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.

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 2019 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 30 June 2020, 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 30 June 2020 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.

A14. Capital commitments

Capital commitments as at end of the current quarter are as follows:-

	30-Jun-20
	RM'000
Approved but not contracted for	10,987
Approved and contracted for	2,013
	<u>13,000</u>

A15. Material events subsequent to the reporting period

There were no material events subsequent to the current financial quarter ended 30 June 2020 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 30 June 2020.

A17. Contingent Liabilities

The following are the contingent liabilities outstanding as at 30 June 2020:

	30-Jun-20	
	Group	Company
	RM'000	RM'000
Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary	-	18,665
	<u>-</u>	<u>18,665</u>

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.



A17. Contingent Liabilities (Cont'd)

Further to the conclusion of a tax audit conducted for year of assessment (“YA”) 2007 to YA2010 as disclosed in Note 31.1 to the audited financial statements for the year ended 31 December 2019, 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 17 August 2020, 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.

---The rest of this page has been intentionally left blank---

**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 6 months ended 30 June 2020	Unsettled balance as at 30 June 2020
		RM'000	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	306	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	18	-
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	372	-
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Rental of office in Petaling Jaya	398	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	137	-
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	48	-
Clear Water Services Sdn Bhd	General trading specialising in oil and gas sector	5,579	2,994
		<u>6,858</u>	<u>2,994</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.

---The rest of this page has been intentionally left blank---

**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 30-Jun-20 RM'000	Corresponding Quarter ended 30-Jun-19 RM'000	Variance	
			RM'000	%
Revenue	170,947	247,179	(76,232)	(31)
Gross profit	41,091	113,847	(72,756)	(64)
Profit before interest and tax	13,523	86,391	(72,868)	(84)
Profit before tax	4,111	72,388	(68,277)	(94)
(Loss)/Profit after tax	(2,028)	52,940	(54,968)	(104)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(985)	55,090	(56,075)	(102)

In the current quarter, the Group recorded a lower revenue of RM170.9 million and profit before tax of RM4.1 million, as compared to a revenue of RM247.2 million and profit before tax of RM72.3 million in the corresponding quarter ended 30 June 2019.

The decrease in revenue in the current quarter is mainly due to the impact of Covid-19 pandemic and global oil market glut. The lockdown measure which was imposed by the government since 18 March 2020 brings a significant disruption in operation and resulted in lower work orders received and performed under topside maintenance contracts. In addition, vessel utilisation has recorded at 52% lower in current quarter, as compared to 81% in the second quarter of year 2019.

Furthermore, there has no reversal of impairment loss been taken into account in the current quarter as compared to a reversal of impairment loss on PPE of RM2.8 million that has been provided in the corresponding quarter. This has further contributed to the higher profit before taxation of RM72.3 million in corresponding quarter in 2019.

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 30 June 2020 and the date of this report.

---The rest of this page has been intentionally left blank---

**B1. Review of Financial Performance (Cont'd)****B1.2 The Group's performance for the current financial period-to-date under review versus the corresponding previous financial period-to-date is tabled below:**

	Cummulative	Corresponding	Variance	
	period-to-date	period-to-date		
	30-Jun-20	30-Jun-19		
	RM'000	RM'000	RM'000	%
Revenue	343,004	403,587	(60,583)	(15)
Gross profit	100,795	140,408	(39,613)	(28)
Profit before interest and tax	42,587	93,015	(50,428)	(54)
Profit before tax	23,130	63,924	(40,794)	(64)
Profit after tax	6,220	35,787	(29,567)	(83)
Profit attributable to Ordinary Equity Holders of the Parent	8,340	50,955	(42,615)	(84)

The Group recorded revenue of RM343.0 million during the current period to date, which was 15% lower than the revenue of RM403.6 million in the previous corresponding period-to-date. In current period, the Group also recorded profit before tax of RM23.1 million, which was lower by RM40.8 million compared to profit before tax of RM63.9 million in corresponding period.

The lower revenue in the current period is mainly attributable to lower vessel utilisation at 53% for the financial period ended 30 June 2020, as compared to 61% in corresponding period ended 30 June 2019, resulting from the delayed work orders awarded from oil majors in the second quarter of 2020.

In addition, the profit before tax in the corresponding period has taken into account a reversal of impairment loss on PPE of RM2.8 million and net realized/unrealized foreign exchange loss of RM0.4 million, while in current period, the Group has no reversal of impairment loss been taken into account but incurred higher net realised/unrealised foreign exchange loss, which was RM4.0 million.

---The rest of this page has been intentionally left blank---

**B2. Financial review for current quarter results compared to the results of the immediate preceding quarter**

	Current Quarter ended 30-Jun-20 RM'000	Preceding Quarter ended 31-Mar-20 RM'000	Variance RM'000	%
Revenue	170,947	172,057	(1,110)	(0)
Gross profit	41,091	59,704	(18,613)	(31)
Profit before interest and tax	13,523	29,065	(15,542)	(53)
Profit before tax	4,111	19,020	(14,909)	(78)
(Loss)/Profit after tax	(2,028)	8,248	(10,276)	(125)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(985)	9,325	(10,310)	(111)

For the current quarter ended 30 June 2020, the Group has recorded lower revenue of RM170.9 million and profit before tax of RM4.1 million, as compared to revenue of RM172.1 million and a profit before tax of RM19.0 million in the first quarter of 2020.

The slight decrease in revenue in the current quarter as compared to the immediate preceding quarter is mainly attributable to lower vessel utilisation at 52% as compared to 55% in the first quarter of 2020. The typically lower vessel utilisation in the second quarter of 2020 is a result of delayed work orders received from the oil majors which was impacted from the government's restricted movement and lockdown measures.

The lower profit before tax of RM4.1 million in the current quarter is mainly attributed to the higher operating cost incurred to adhere to the standard operating procedures to combat Covid-19 and resulted in lower profit margin in work orders received and performed under the topside maintenance contracts.

B3. Prospects

After a relatively good start in the first quarter of 2020, our financial performance in the second quarter of 2020 was weaker as expected, due to the imposition of the Movement Control Order (MCO) since March 2020 which has greatly disrupted our operations. Strict adherence to the standard operating procedures to combat COVID-19 has also resulted in higher operating cost while lesser activities for the Maintenance, Construction and Modifications Contract (MCM) and Topside Maintenance Services works under the Pan Hook-up and Commissioning Contract (Pan HUC) were executed during the quarter.

In tandem with lower work orders, vessel utilisation also came in weaker at 52% in the second quarter of 2020, compared to 55% in the first quarter of 2020. The relatively low vessel utilisation is largely due to the business activity disruptions caused by the MCO. Nevertheless, our streamlined operations ensured that our business resumed to its normalcy after the government began to ease the lockdown measure.



B3. Prospects (Cont'd)

Looking ahead, we believe that the outlook in second half of 2020 will improve considerably as crude oil price has also stabilised at a healthy level which bodes well for the oil and gas industry. In addition, our order book remains strong at an estimated value of RM3.8 billion, which will ensure healthy earnings visibility over the next few years.

We will continue to be vigilant and exercise due care and prudence in the running and administration of the company's business. We remain confident that our strong execution track record and a healthy balance sheet, will sustain the Group through this challenging period.

B4. Profit forecast and profit guarantee

There was no profit guarantee issued by the Group.

B5. Income tax expense

	Current quarter ended	Corresponding quarter ended	Current period-to-date	Corresponding period-to-date
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current year	6,139	19,448	16,910	28,137

For the current quarter and financial period to-date, the Group still incurs a tax charge of RM6.1 million and RM16.9 million respectively as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

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.

---The rest of this page has been intentionally left blank---



B8. Status of corporate proposal

(i) Proposed Private Placement

On 17 May 2019, Dayang Enterprise Holdings Bhd (“Dayang”) announced that it proposes to undertake a proposed private placement of up to 96,480,983 new Dayang Shares, representing approximately 10.0% of the total number of issued shares of Dayang. On 10 February 2020, Dayang has applied for an extension of time of up to 26 August 2020 to complete the implementation of the private placement and Bursa Securities has granted the Company’s application on 20 February 2020.

On 7 August 2020, the Company has submitted an application to Bursa Securities seeking its approval for further extension of time of up to 25 February 2021 to complete the implementation of the Private Placement.

Under the Sukuk program, there is a condition subsequent covenant that requires Dayang to raise up to RM75 million from the proposed private placement by 30 June 2020. On 30 March 2020 and 6 April 2020, Dayang has written to the Sukuk trustees and the guarantee provider to defer the proposed private placement for up to 3 years. However, the Sukuk holders only agreed to extend the implementation of private placement for a period of 12 months from 30 June 2020 instead of 3 years. A formal resolution has been approved by the Sukuk trustees on 15 June 2020.

(ii) Proposed Dissolution of Marshall Islands Subsidiaries & British Virgin Island (“BVI”) Subsidiaries

On 3 July 2020 and 8 July 2020, Perdana Petroleum Berhad (“PPB”)’s wholly owned subsidiaries, Geoseas Technologies Limited (“GTL”), Odin Explorer Navigation Limited (“OENL”), Perdana Mercury Limited (“PML”) and Perdana Venus Limited (“PVL”) (“Subsidiaries”) which have been dormant for a period of time have been placed under dissolution under the laws of the Business Companies Act, 2004 of BVI and Marshall Islands Business Corporations Act (“Proposed Dissolution”).

The rationale for the Proposed Dissolution is to save future costs associated with maintaining the Subsidiaries as PPB do not foresee any future business plans for these Subsidiaries.

Save for the above, there were no other corporate proposals announced but not completed as at 17 August 2020, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

---The rest of this page has been intentionally left blank---

**B9. Group borrowings**

Total Group's borrowings as at 30 June 2020 were as follows:

	As at 30-Jun-20 (unaudited)		As at 31-Dec-19 (audited)	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	81,900	-	81,900
Term loans	-	11,520	-	11,520
Term loans	4,564	19,547	4,564	18,685
Islamic facility	-	2,357	-	1,964
Unsecured				
Revolving credit	-	-	-	1,748
	4,564	115,324	4,564	115,817
Non-current				
Secured				
Sukuk	-	580,468	-	578,016
Term loans	-	7,145	-	12,907
Term loans	19,762	84,638	21,944	89,836
Islamic facility	-	12,275	-	13,454
	19,762	684,526	21,944	694,213
Total	24,326	799,850	26,508	810,030

Exchange rate (USD: MYR):

USD1: MYR4.283

USD1: MYR4.094

Source of reference: Bank Negara Malaysia Website

As at 30 June 2020, the total outstanding borrowings have reduced to RM799.9 million as compared to RM810.0 million as at 31 December 2019 mainly due to repayment of term loan of RM10.1 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 and revolving credits are based on floating interest rate whereas Islamic facility term loan are based on fixed interest rate.

---The rest of this page has been intentionally left blank---



B10. Material litigations

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2019 up to 17 August 2020, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

On 7 August 2018, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Datin Che Nariza Hajjar Hashim, Wong Fook Heng and Tiong Young Kong (the "Plaintiffs") filed a claim for indemnification of legal fees they have incurred in defending the prior suits (and the appeals emanated therefrom) brought by PPB against them.

On 29 May 2019, the High Court has allowed the Plaintiff's claim against PPB for the cost incurred on an indemnity basis in defending the suits (and the appeals emanated therefrom) since 2009. The total amount to be paid by PPB to the Plaintiffs including the costs and the allocator fee is RM2,652,447.13. The said amount has been fully settled in September 2019.

On 27 June 2019, PPB has filed a notice of appeal to the Court of Appeal against the decision made by the High Court. PPB's solicitors attended court on 13 August 2019 for case management and updated the court on the current progress of the appeal. This matter came up for e-review on 30 October 2019 before the Deputy Registrar of the Court of Appeal. The Court of Appeal was informed that PPB has yet to obtain the grounds of judgement from the High Court and that PPB has issued several reminders to the High Court. Therefore, the Court of Appeal has adjourned the matter to 17 December 2019 for further e-review and for PPB to update the Court of Appeal on the availability of the said grounds of judgement.

PPB has received the ground of judgment from the High Court in January 2020 and all the parties have agreed that PPB would file its supplementary record of appeal in the Court of Appeal by 2 March 2020.

The Appeal came up for e-review on 13 February 2020 and the Court of Appeal has fixed the Appeal for further e-review on 5 March 2020 for PPB to update the Court of Appeal on the status of filing of the said supplementary record of appeal. The case management has subsequently been fixed on 21 September 2020 and the hearing for the Appeal is scheduled to take place on 30 September 2020.

B11. Dividend

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

---The rest of this page has been intentionally left blank---

**B12. (Loss)/Earnings per share**

Basic (loss)/earnings per share	Current Quarter Ended 30-Jun-20	Corresponding Quarter Ended 30-Jun-19	Cumulative Period Ended 30-Jun-20	Corresponding Period Ended 30-Jun-19
(Loss)/Profit for the period attributable to Owners of the Company (RM'000)	(985)	55,090	8,340	50,955
Weighted average number of ordinary shares in issue ('000)	1,061,291	964,810	1,061,291	964,810
Basic (loss)/earnings per share (sen)	(0.09)	5.71	0.79	5.28

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 21 August 2020.