



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Fourth Quarter ended 31 December 2020**

	Current Quarter Ended 31-Dec-20 (Unaudited) RM'000	Corresponding Quarter Ended 31-Dec-19 (Unaudited) RM'000	Current Year-To-Date 31-Dec-20 (Unaudited) RM'000	Corresponding Year-To-Date 31-Dec-19 (Audited) RM'000
Revenue	158,225	285,020	731,442	1,046,183
Cost of services	(117,196)	(110,553)	(499,270)	(552,860)
Gross profit	41,029	174,467	232,172	493,323
Other income	3,643	11,033	5,798	2,738
Administrative expenses	(31,466)	(42,348)	(110,274)	(121,064)
Other expenses	(7,259)	(3,636)	(8,828)	(1,177)
Results from operating activities	5,947	139,516	118,868	373,820
Finance costs	(5,789)	(20,913)	(40,989)	(70,329)
Finance income	1,167	1,117	9,869	25,971
Net finance costs	(4,622)	(19,796)	(31,120)	(44,358)
Profit before tax	1,325	119,720	87,748	329,462
Income tax expense	(7,336)	(42,506)	(54,012)	(107,608)
(Loss)/Profit for the period/year	(6,011)	77,214	33,736	221,854
Other comprehensive expense, net of tax				
Foreign currency translation	(36,719)	(23,891)	(18,703)	(11,383)
Cash flow hedge	-	-	-	(78)
Other comprehensive expense for the period/year, net of tax	(36,719)	(23,891)	(18,703)	(11,461)
Total comprehensive (expense)/income for the period/year	(42,730)	53,323	15,033	210,393
(Loss)/Profit for the period/year				
Attributable to:				
Owners of the Company	13,166	78,225	57,586	230,946
Non-controlling interest	(19,177)	(1,011)	(23,850)	(9,092)
	(6,011)	77,214	33,736	221,854
Total comprehensive (expense)/income for the period/year				
Attributable to:				
Owners of the Company	(10,253)	63,776	45,659	224,014
Non-controlling interest	(32,477)	(10,453)	(30,626)	(13,621)
	(42,730)	53,323	15,033	210,393
Weighted average number of ordinary shares in issue ('000)	1,061,291	978,443	1,061,291	969,039
Basic earnings per share (sen)	1.24	7.99	5.43	23.83

(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 31 December 2020

	(Unaudited) 31-Dec-20 RM'000	(Audited) 31-Dec-19 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,295,404	1,371,684
Right-of-use assets	2,826	-
Refundable deposits	12,000	12,000
Goodwill	653,627	653,627
Deferred tax asset	7,080	17,833
TOTAL NON-CURRENT ASSETS	1,970,937	2,055,144
CURRENT ASSETS		
Inventories	6,586	7,411
Contract assets	197,494	226,579
Trade and other receivables	104,813	330,537
Deposits and prepayments	3,836	7,941
Current tax assets	3,391	2,636
Cash and cash equivalents	440,277	316,915
TOTAL CURRENT ASSETS	756,397	892,019
TOTAL ASSETS	2,727,334	2,947,163
EQUITY AND LIABILITIES		
EQUITY		
Share capital	761,751	761,751
Reserves	731,254	672,783
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,493,005	1,434,534
NON-CONTROLLING INTEREST	287,159	330,597
TOTAL EQUITY	1,780,164	1,765,131
NON-CURRENT LIABILITIES		
Loans and borrowings	526,055	694,213
Lease liabilities	2,476	-
Deferred tax liabilities	74,964	75,795
TOTAL NON-CURRENT LIABILITIES	603,495	770,008
CURRENT LIABILITIES		
Loans and borrowings	167,717	115,817
Lease liabilities	395	-
Trade and other payables	168,596	252,431
Current tax liabilities	6,967	43,776
TOTAL CURRENT LIABILITIES	343,675	412,024
TOTAL LIABILITIES	947,170	1,182,032
TOTAL EQUITY AND LIABILITIES	2,727,334	2,947,163

Net assets per share (sen)

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(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 Fourth Quarter ended 31 December 2020**

	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 (Audited)	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 Fourth Quarter ended 31 December 2020

	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 year	-	-	57,586	57,586	(23,850)	33,736
Foreign currency translation differences for foreign operations	-	(11,927)	-	(11,927)	(6,776)	(18,703)
Total comprehensive income for the year	-	(11,927)	57,586	45,659	(30,626)	15,033
Dilution of NCI interest in a subsidiary	-	-	12,812	12,812	(12,812)	-
At 31 December 2020 (Unaudited)	761,751	38,556	692,698	1,493,005	287,159	1,780,164

(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 Fourth Quarter ended 31 December 2020**

	Current year-to-date (Unaudited) 31-Dec-20 RM'000	Corresponding year-to-date (Audited) 31-Dec-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	87,748	329,462
Adjustments for: -		
- Non-cash items	108,293	100,938
- Non-operating items	31,224	44,073
Operating profit before changes in working capital	227,265	474,473
<u>Changes in working capital</u>		
Inventories	825	(126)
Contract assets	29,085	(76,571)
Trade and other receivables	229,132	(35,650)
Trade and other payables	(74,205)	31,241
Total changes in working capital	184,837	(81,106)
Cash generated from operations	412,102	393,367
Interest paid	(94)	-
Interest received	9,868	5,146
Tax paid	(81,845)	(81,627)
Total interest and tax paid	(72,071)	(76,481)
Net cash generated from operating activities	340,031	316,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(52,373)	(34,961)
Proceeds from disposal of property, plant and equipment	6	236
Proceeds from disposal of other investment	-	1,543
Upliftment of pledged fixed deposits	-	6,083
Net cash used in investing activities	(52,367)	(27,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Coupon paid	(37,568)	(24,267)
Drawdown of term loan-Islamic	-	10,200
Guarantee fee paid	(3,292)	-
Payment of lease liabilities	(252)	-
Proceeds from Rights Issue, net of expenses	-	86,962
Proceeds from sukuk	-	682,500
Repayment of borrowings	(115,064)	(875,881)
Security deposit paid	-	(12,000)
Term loan interest paid	(4,100)	(37,326)
Net cash used in financing activities	(160,276)	(169,812)
Net increase in cash and cash equivalents	127,388	119,975
Effect of foreign exchange translation	(4,026)	2,333
Cash and cash equivalents at the beginning of the year	316,915	194,607
Cash and cash equivalents at the end of the year	440,277	316,915

**Condensed Consolidated Statement of Cash Flows (Cont'd)**
For the Fourth Quarter ended 31 December 2020

Current year-to-date (Unaudited) 31-Dec-20 RM'000	Corresponding year-to-date (Audited) 31-Dec-19 RM'000
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Breakdown of cash and cash equivalents at the end of the year: -

Short term deposits	370,720	265,915
Cash and bank balances	72,787	51,000
Bank overdrafts	(3,230)	-
	<u>440,277</u>	<u>316,915</u>
Less: Deposits pledged as security	-	-
Cash and cash equivalents	<u>440,277</u>	<u>316,915</u>

(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).

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**A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING****A1. Basis of 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 interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

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 and</i> 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.

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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
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.

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

	Current quarter ended (Unaudited) 31-Dec-20 RM'000	Corresponding quarter ended (Unaudited) 31-Dec-19 RM'000	Current year-to-date (Unaudited) 31-Dec-20 RM'000	Corresponding year-to-date (Audited) 31-Dec-19 RM'000	Preceding quarter (Unaudited) 30-Sep-20 RM'000
(Loss)/Profit for the period/year is arrived at after charging/(crediting):					
<u>Other income</u>					
Gain on bargain purchase	-	8,254	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	236	-
Realised gain on foreign exchange	590	-	-	-	-
Reversal of impairment loss on receivables	28	-	-	-	-
Unrealised gain on foreign exchange	2,994	2,326	3,845	-	4,539
Others	31	453	1,953	2,502	1,807
Total other income	3,643	11,033	5,798	2,738	6,346
<u>Other expenses</u>					
Impairment loss on receivables	-	-	(257)	-	(284)
Impairment loss on property, plant and equipment	(7,259)	(2,819)	(7,259)	-	-
Realised loss on foreign exchange	-	(817)	(1,312)	(465)	(1,522)
Others	-	-	-	(712)	-
Total other expenses	(7,259)	(3,636)	(8,828)	(1,177)	(1,806)
Grand total of other income, net of other expenses	(3,616)	7,397	(3,030)	1,561	4,540
Depreciation of property, plant and equipment & right-of-use assets	(26,644)	(28,847)	(104,442)	(102,498)	(21,516)

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 December 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 year-to-date, except for other income/expenses and other comprehensive income/expense arising from realised/unrealised foreign exchange gain/loss and foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars as well as impairment loss on property, plant and equipment ("PPE").

During the current quarter and financial year-to-date, the other income comprises of net realised/unrealised foreign exchange gain of RM3.6 million and RM2.5 million respectively whereas the other comprehensive expenses include foreign currency translation loss of RM36.7 million and RM18.7 million respectively.

In addition, the Group has made an additional allowance for impairment loss on PPE of RM7.3 million (see Note A13) during the quarter under review and for the financial year-to-date. A deferred tax expense of RM9.9 million (see Note B5) has also been recognised in the current financial year.

A7. Material Changes in Estimates

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

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

There have been no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial year-to-date other than a total conversion of 1,436,454,137 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. As at 31 December 2020, a total of RM466,847,595 RCPS in value has been converted into ordinary shares.

A9. Dividend

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

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

Corresponding quarter ended 31 December 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	-	239,510	45,510	-	285,020	-	285,020
Inter-segment revenue	1,050	-	47,813	4,744	53,607	(53,607)	-
Total revenue	1,050	239,510	93,323	4,744	338,627	(53,607)	285,020
Results							
Segment results	(1,504)	125,349	24,212	1,819	149,876	(10,360)	139,516
Finance costs	(8,943)	(498)	(9,642)	-	(19,083)	-	(19,083)
Inter-segment finance costs	(5,550)	-	(4,523)	-	(10,073)	8,243	(1,830)
Total finance costs	(14,493)	(498)	(14,165)	-	(29,156)	8,243	(20,913)
Finance income	92	648	375	2	1,117	-	1,117
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	92	648	375	2	1,117	-	1,117
(Loss)/Profit before tax	(15,905)	125,499	10,422	1,821	121,837	(2,117)	119,720
Taxation							(42,506)
Profit after tax							77,214

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

Current 12 months ended 31 December 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
Revenue							
External revenue	-	538,664	155,429	-	694,093	37,349	731,442
Inter-segment revenue	4,200	-	137,370	19,734	161,304	(161,304)	-
Total revenue	4,200	538,664	292,799	19,734	855,397	(123,955)	731,442
Results							
Segment results	86	139,918	(31,531)	8,230	116,703	2,165	118,868
Finance costs	(36,653)	-	(4,319)	(17)	(40,989)	-	(40,989)
Inter-segment finance costs	(20,275)	-	(8,801)	-	(29,076)	29,076	-
Total finance costs	(56,928)	-	(13,120)	(17)	(70,065)	29,076	(40,989)
Finance income	4,457	3,906	1,015	491	9,869	-	9,869
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	4,457	3,906	1,015	491	9,869	-	9,869
(Loss)/Profit before tax	(52,385)	143,824	(43,636)	8,704	56,507	31,241	87,748
Taxation							(54,012)
Profit after tax							33,736

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

Corresponding 12 months ended 31 December 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	-	857,490	188,693	-	1,046,183	-	1,046,183
Inter-segment revenue	4,771	-	181,377	14,398	200,546	(200,546)	-
Total revenue	4,771	857,490	370,070	14,398	1,246,729	(200,546)	1,046,183
Results							
Segment results	(5,201)	330,178	45,335	6,182	376,494	(2,674)	373,820
Finance costs	(24,105)	(1,300)	(43,094)	-	(68,499)	-	(68,499)
Inter-segment finance costs	(18,258)	-	(13,810)	-	(32,068)	30,238	(1,830)
Total finance costs	(42,363)	(1,300)	(56,904)	-	(100,567)	30,238	(70,329)
Finance income	500	2,487	22,862	122	25,971	-	25,971
Inter-segment finance income	-	30,238	-	-	30,238	(30,238)	-
Total finance income	500	32,725	22,862	122	56,209	(30,238)	25,971
(Loss)/Profit before tax	(47,064)	361,603	11,293	6,304	332,136	(2,674)	329,462
Taxation							(107,608)
Profit after tax							221,854

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

As at 31 December 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	1,632,131	1,220,734	1,479,561	64,860	4,397,286	(1,680,423)	2,716,863
Deferred tax assets	-	-	7,080	-	7,080	-	7,080
Current tax assets	-	-	3,391	-	3,391	-	3,391
Total assets	1,632,131	1,220,734	1,490,032	64,860	4,407,757	(1,680,423)	2,727,334
Segment liabilities	1,044,449	184,143	355,746	3,482	1,587,820	(722,581)	865,239
Deferred tax liabilities	-	3,689	56,430	2,457	62,576	12,388	74,964
Current tax liabilities	89	5,661	803	414	6,967	-	6,967
Total liabilities	1,044,538	193,493	412,979	6,353	1,657,363	(710,193)	947,170

As at 31 December 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	1,711,752	1,249,742	1,650,571	54,034	4,666,099	(1,739,405)	2,926,694
Deferred tax assets	-	-	17,833	-	17,833	-	17,833
Current tax assets	-	-	2,636	861	3,497	(861)	2,636
Total assets	1,711,752	1,249,742	1,671,040	54,895	4,687,429	(1,740,266)	2,947,163
Segment liabilities	1,071,059	285,874	455,478	367	1,812,778	(750,317)	1,062,461
Deferred tax liabilities	-	3,689	59,618	2,459	65,766	10,029	75,795
Current tax liabilities	219	41,385	3,033	-	44,637	(861)	43,776
Total liabilities	1,071,278	330,948	518,129	2,826	1,923,181	(741,149)	1,182,032

**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) 31-Dec-20 RM'000	Corresponding quarter ended (Unaudited) 31-Dec-19 RM'000	Current year to-date (Unaudited) 31-Dec-20 RM'000	Corresponding year-to-date (Audited) 31-Dec-19 RM'000
Type of services				
Topside maintenance services				
Unit rate	52,384	49,761	204,832	213,375
Lump sum	63,989	187,484	332,548	635,375
Fee	1,373	-	3,678	5,137
Reimbursable	6,018	2,265	34,955	3,603
Marine offshore support services				
Charter of vessels	34,417	43,999	155,385	183,195
Others	44	1,511	44	5,498
	158,225	285,020	731,442	1,046,183
Timing of revenue recognition				
Services transferred over time				
Topside maintenance services				
Unit rate	52,384	49,761	204,832	213,375
Lump sum	63,989	187,484	332,548	635,375
Fee	1,373	-	3,678	5,137
Marine offshore support services				
Charter of vessels	34,417	43,999	155,385	183,195
Others	44	1,511	44	5,498
Services transferred at the point in time				
Reimbursable	6,018	2,265	34,955	3,603
	158,225	285,020	731,442	1,046,183

**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 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 year ended 31 December 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 31 December 2020 to determine whether there is any indication of further impairment to the assets or if there is any reversal of impairment previously provided.

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

Following the sudden outbreak of the COVID-19 pandemic in March 2020, the global economy as well as the oil and gas industry has since been severely affected. As such, the Group has revised some of its assumptions and estimations in determining the recoverable amount for its PPE in the current financial quarter to better reflect the present economic and market conditions.

For the current financial quarter/year ended 31 December 2020, the Group has provided for an additional allowance of impairment loss on PPE of RM7.3 million. As a result, the Group’s accumulated impairment loss as at 31 December 2020 has increased from RM9.3 million as at 31 December 2019 to RM16.6 million.

A14. Capital Commitments

As at 31 December 2020, the Group has the following capital commitment:

	31-Dec-20
	RM'000
Approved but not contracted for	4,202
Approved and contracted for	24,716
	<hr/>
	28,918
	<hr/> <hr/>

A15. Material Events Subsequent to the Reporting Period

On 27 October 2020, one of the vessels of the Group, with net carrying value of RM45.1 million, had incurred an incident at one of the work sites in Miri offshore due to adverse weather conditions. The vessel is still seaworthy and adequately covered by insurance. The extent of the damage is yet to be determined. The current financial year ended 31 December 2020 up to the date of this report have not been adjusted, if any, for the financial effect of this incident.

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**A16. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current year ended 31 December 2020 except for:

Dissolution of Marshall Islands Subsidiaries & British Virgin Islands (“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 (“Dissolution”).

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

A17. Contingent Liabilities

The following are the contingent liabilities outstanding as at 31 December 2020:

	31-Dec-20	
	Group RM'000	Company RM'000
Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary	-	12,902

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.

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 February 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.

**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 year:-

Transactions with Directors and a company in which certain Directors have substantial financial interests: -

	Nature	Amount for 12 months ended 31 December 2020	Unsettled balance as at 31 December 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	612	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	36	-
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	744	124
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Rental of office in Petaling Jaya	796	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	273	-
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	96	-
Clear Water Services Sdn Bhd	General trading specialising in oil and gas sector	13,442	3,474
		<hr/>	
		15,999	3,598

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.

**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 31-Dec-20 RM'000	Corresponding quarter ended 31-Dec-19 RM'000	Variance	
			RM'000	%
Revenue	158,225	285,020	(126,795)	(44)
Gross profit	41,029	174,467	(133,438)	(76)
Profit before interest and tax	5,947	139,516	(133,569)	(96)
Profit before tax	1,325	119,720	(118,395)	(99)
(Loss)/Profit after tax	(6,011)	77,214	(83,225)	(108)
Profit attributable to Ordinary Equity Holders of the Parent	13,166	78,225	(65,059)	(83)

In the current quarter, the Group has recorded a lower revenue of RM158.2 million and profit before tax of RM1.3 million, as compared to a revenue of RM285.0 million and profit before tax of RM119.7 million in the corresponding quarter ended 31 December 2019.

The decrease in revenue in the current quarter is mainly attributable to lower vessel utilisation at 44%, as compared to 76% in corresponding quarter ended 31 December 2019. This is a result of slower work orders/contracts being awarded from oil majors in the fourth quarter of 2020 arising from the adverse impact of COVID-19.

The profit before tax of RM1.3 million in the current quarter is arrived at, after taking into account of additional allowance for impairment loss on PPE of RM7.3 million (see Note A13) as well as higher operating costs arising from exceptional COVID-19 related costs incurred. In contrast, a one-off gain on bargain purchase of RM8.3 million arising from the acquisition of a new subsidiary were accounted for in the corresponding quarter. This has further contributed to the higher profit before tax of RM119.7 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 31 December 2020 and the date of this report.

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**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:**

	Current year-to-date 31-Dec-20 RM'000	Corresponding year-to-date 31-Dec-19 RM'000	Variance	
			RM'000	%
Revenue	731,442	1,046,183	(314,741)	(30)
Gross profit	232,172	493,323	(261,151)	(53)
Profit before interest and tax	118,868	373,820	(254,952)	(68)
Profit before tax	87,748	329,462	(241,714)	(73)
Profit after tax	33,736	221,854	(188,118)	(85)
Profit attributable to Ordinary Equity Holders of the Parent	57,586	230,946	(173,360)	(75)

For the financial year ended 31 December 2020, the Group recorded a revenue of RM731.4 million, which was 30% lower than the revenue of RM1,046.2 million in the previous year ended 31 December 2019. In current year, the Group also recorded profit before tax of RM87.7 million, which was lower by RM241.7 million compared to profit before tax of RM329.5 million in corresponding year.

The lower revenue in the current year is mainly due to the adverse impact of Covid-19 pandemic. As a result, work orders/contracts being awarded from oil majors during the year have been slowed down. Vessel utilisation during the current year has been reduced from 72% to 53%, as compared to the corresponding year ended 31 December 2019.

In addition, The Group recorded a lower profit before tax for the financial year ended 31 December 2020, after taking into account an impairment loss on PPE of RM7.3 million as well as higher operating costs incurred to adhere to the standard operating procedures to combat Covid-19 since March 2020.

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

	Current quarter ended 31-Dec-20 RM'000	Preceding quarter ended 30-Sep-20 RM'000	Variance	
			RM'000	%
Revenue	158,225	230,213	(71,988)	(31)
Gross profit	41,029	90,348	(49,319)	(55)
Profit before interest and tax	5,947	70,334	(64,387)	(92)
Profit before tax	1,325	63,293	(61,968)	(98)
(Loss)/Profit after tax	(6,011)	33,527	(39,538)	(118)
Profit attributable to Ordinary Equity Holders of the Parent	13,166	36,080	(22,914)	(64)

In the current quarter, the Group has recorded a lower revenue of RM158.2 million and profit before tax of RM1.3 million, as compared to revenue of RM230.2 million and a profit before tax of RM63.3 million in the third quarter of 2020.

The decrease in revenue in the current quarter as compared to the immediate preceding quarter is mainly attributable to lower vessel utilisation at 44% as compared to 62% in the third quarter of 2020. The typically lower vessel utilisation in the fourth quarter of 2020 is a result of seasonal monsoon weather and 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 RM1.3 million in the current quarter has taken into account additional allowance for impairment loss on PPE of RM7.3 million as well as 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

Our financial performance in the fourth quarter of 2020 was weaker as expected, due to the seasonal monsoon weather and the reimposition of the Conditional Movement Control Order ("CMCO"). These has resulted in 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). 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 utilization was recorded at lower rate of 44% during the period under review compared to 62% in the third quarter of 2020. The relatively low vessel utilization is partly due to lagged effects of oil majors' capex reduction in addition to the adverse monsoon weather.

Going forward, we are of the opinion that the outlook of the company as well as oil and gas industry will be healthier in 2021 on the premises that crude oil price would remain at current levels, which are reasonable to incite oil majors to undertake planned capital expenditure. We also expect that the economic activities would be back to normal with the inoculation vaccine program by the government. Furthermore, with our outstanding on call order book at an estimated value of RM2.7 billion, we believed our earnings visibility will remain solid over the next few years.

**B3. Prospects (Cont'd)**

The Board will remain cautious and vigilant on the cashflow management while continuously pursuing for more contract replenishment in this challenging market environment. Simultaneous, the Board and the management will continue to exercise due care and prudence in managing and administrating the affairs of the company during 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 31-Dec-20 RM'000	Corresponding quarter ended 31-Dec-19 RM'000	Current year-to-date 31-Dec-20 RM'000	Corresponding year-to-date 31-Dec-19 RM'000
Malaysian income tax	9,499	42,506	44,089	97,863
Deferred tax expense:				
- Origination of temporary differences	202	-	8,333	6,881
- (Over)/Under-provision in prior year	(2,365)	-	1,590	2,864
	(2,163)	-	9,923	9,745
Total tax expense	<u>7,336</u>	<u>42,506</u>	<u>54,012</u>	<u>107,608</u>

For the current quarter and financial year-to-date, the Group still incurs a tax charge of RM9.5 million and RM44.1 million respectively as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

A deferred tax expense of RM9.9 million has been recognised by the Group during the financial year ended 31 December 2020, as a result of the utilisation of unabsorbed capital allowances by a subsidiary of PPB pursuant to the 25% non-deductibility rules for payments made to Labuan companies.

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

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

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B7. Quoted Securities

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

B8. Status of Corporate Proposal

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. However, Dayang has applied to Bursa Securities on 10 February 2020, 7 August 2020 and 10 February 2021, seeking its approval for further extension of time of up to 25 August 2021 to complete the implementation of the private placement and Bursa Securities has granted Dayang’s application on 17 February 2021.

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.

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**B9. Group Borrowings**

Total Group's borrowings as at 31 December 2020 were as follows:

	As at 31-Dec-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	-	9,572	-	11,520
Term loans	18,399	73,888	4,564	18,685
Islamic facility	-	2,357	-	1,964
Unsecured				
Revolving credit	-	-	-	1,748
	18,399	167,717	4,564	115,817
Non-current				
Secured				
Sukuk	-	496,990	-	578,016
Term loans	-	3,330	-	12,907
Term loans	3,645	14,638	21,944	89,836
Islamic facility	-	11,097	-	13,454
	3,645	526,055	21,944	694,213
Total	22,044	693,772	26,508	810,030

Exchange rate (USD: MYR):

USD1: MYR4.016

USD1: MYR4.094

Source of reference: Bank Negara Malaysia Website

As at 31 December 2020, the total outstanding borrowings have reduced to RM693.8 million as compared to RM810.0 million as at 31 December 2019 mainly due to repayment of Sukuk of RM81.9 million and term loan of RM29.5 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 and USD denominated term loans are based on floating interest rate whereas Islamic facility and revolving credit are based on fixed interest rate.

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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 18 February 2021, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

(i) Claim for Indemnification of Legal Fees by Former Directors of PPB

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 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 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 had 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 received the ground of judgment from the High Court in January 2020 and all the parties had 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 full e-Appellate is scheduled to take place on 21 June 2021.

(ii) Petition for Winding-Up Against Perdana Nautika Sdn Bhd ("PNSB"), a Wholly-Owned Subsidiary of PPB

On 11 January 2021, PPB made an announcement that a wholly-owned subsidiary of PPB, Perdana Nautika Sdn Bhd ("PNSB") was served a winding-up petition on 8 January 2021 by Two Offshore Marine Sdn Bhd ("TOMSB"). The winding up petition ("Petition") was presented by the solicitors of TOMSB to the Kuala Lumpur High Court ("KLHC") on 6 January 2021.

PNSB and TOMSB had claims against each other arising from separate charter parties transacted between the parties. PNSB has filed a suit at the KLHC against TOMSB, which remains to be litigated. Notwithstanding this, TOMSB has elected to proceed by way of a winding-up petition against PNSB for the amount of RM1,648,706.53, despite the fact that PNSB has a competing cross claim against TOMSB.

**B10. Material Litigations (Cont'd)****(ii) Petition for Winding-Up Against Perdana Nautika Sdn Bhd (“PNSB”), a Wholly-Owned Subsidiary of PPB (Cont'd)**

A case management and hearing of the Petition had since been fixed on 9 February 2021 and 17 March 2021 respectively.

On 9 February 2021, TOMSB had filed the order for termination of the Petition with no order as to costs. Both parties had terminated all other related suits against each other with no order as to costs and without liberty to file afresh within three (3) working days of the receipt of the full settlement sum of RM1.1 million which was paid on 9 February 2021, the amount of which had been provided for in the financial year ended 31 December 2020.

B11. Dividend

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

B12. Earnings Per Share

Basic earnings per share	Current quarter ended 31-Dec-20	Corresponding quarter ended 31-Dec-19	Current year-to-date 31-Dec-20	Corresponding year-to-date 31-Dec-19
Profit for the period/year attributable to Owners of the Company (RM'000)	13,166	78,225	57,586	230,946
Weighted average number of ordinary shares in issue ('000)	1,061,291	978,443	1,061,291	969,039
Basic earnings per share (sen)	1.24	7.99	5.43	23.83

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 February 2021.

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