



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

	Current Quarter Ended 31-Dec-21 (Unaudited) RM'000	Corresponding Quarter Ended 31-Dec-20 (Unaudited) RM'000	Current Year-To-Date 31-Dec-21 (Unaudited) RM'000	Corresponding Year-To-Date 31-Dec-20 (Audited) RM'000
Revenue	200,153	158,225	667,736	731,443
Cost of services	(204,423)	(117,196)	(586,210)	(499,269)
Gross (loss)/profit	(4,270)	41,029	81,526	232,174
Other income	1,983	3,643	7,637	6,124
Administrative expenses	(31,500)	(31,466)	(106,383)	(108,336)
Other expenses	(320,960)	(7,259)	(352,444)	(10,634)
Loss on impairment of financial instruments	(10,392)	-	(10,392)	(257)
Results from operating activities	(365,139)	5,947	(380,056)	119,071
Finance costs	(7,460)	(5,789)	(34,988)	(41,632)
Finance income	1,747	1,167	8,127	11,031
Net finance costs	(5,713)	(4,622)	(26,861)	(30,601)
(Loss)/Profit before tax	(370,852)	1,325	(406,917)	88,470
Taxation	(12,586)	(7,336)	(29,997)	(55,908)
(Loss)/Profit for the period/year	(383,438)	(6,011)	(436,914)	32,562
Other comprehensive (expense)/income, net of tax				
Foreign currency translation	(3,432)	(36,719)	39,235	(18,703)
Total comprehensive (expense)/income for the period/year	(386,870)	(42,730)	(397,679)	13,859
(Loss)/Profit for the period/year attributable to:				
Owners of the Company	(288,487)	13,166	(318,932)	56,412
Non-controlling interest	(94,951)	(19,177)	(117,982)	(23,850)
	(383,438)	(6,011)	(436,914)	32,562
Total comprehensive (expense)/income for the period/year attributable to:				
Owners of the Company	(290,678)	(10,253)	(293,931)	44,485
Non-controlling interest	(96,192)	(32,477)	(103,748)	(30,626)
	(386,870)	(42,730)	(397,679)	13,859
Weighted average number of ordinary shares in issue ('000)	1,157,772	1,061,291	1,138,211	1,061,291
Basic (loss)/earnings per share (sen)	(24.92)	1.24	(28.02)	5.32

(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 December 2021

	(Unaudited) 31-Dec-21 RM'000	(Audited) 31-Dec-20 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,063,058	1,266,273
Right-of-use assets	36,617	40,740
Deposits	12,000	12,000
Goodwill	434,224	653,627
Deferred tax assets	3,728	7,080
TOTAL NON-CURRENT ASSETS	1,549,627	1,979,720
CURRENT ASSETS		
Inventories	8,760	6,586
Contract assets	174,825	197,116
Trade and other receivables	132,210	96,648
Other investments	37,404	28,606
Deposits and prepayments	5,852	9,219
Current tax assets	6,102	3,391
Cash and cash equivalents	418,667	424,217
TOTAL CURRENT ASSETS	783,820	765,783
TOTAL ASSETS	2,333,447	2,745,503
EQUITY AND LIABILITIES		
EQUITY		
Share capital	891,288	761,751
Reserves	418,323	730,216
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,309,611	1,491,967
NON-CONTROLLING INTEREST	183,870	287,023
TOTAL EQUITY	1,493,481	1,778,990
NON-CURRENT LIABILITIES		
Loans and borrowings	397,652	526,056
Lease liabilities	4,631	8,031
Deferred tax liabilities	77,263	75,612
TOTAL NON-CURRENT LIABILITIES	479,546	609,699
CURRENT LIABILITIES		
Loans and borrowings	129,475	180,251
Lease liabilities	3,405	3,662
Trade and other payables	227,322	164,455
Current tax liabilities	218	8,446
TOTAL CURRENT LIABILITIES	360,420	356,814
TOTAL LIABILITIES	839,966	966,513
TOTAL EQUITY AND LIABILITIES	2,333,447	2,745,503
Net assets per share (sen)	115	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 Fourth Quarter ended 31 December 2021**

	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 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 Fourth Quarter ended 31 December 2021

	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 2021	761,751	38,289	691,927	1,491,967	287,023	1,778,990
Loss for the year	-	-	(318,932)	(318,932)	(117,982)	(436,914)
Foreign currency translation differences for foreign operations	-	25,001	-	25,001	14,234	39,235
Total comprehensive expense for the year	-	25,001	(318,932)	(293,931)	(103,748)	(397,679)
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	-	-	(595)	(595)	595	-
Dividends to owners of the Company	-	-	(17,367)	(17,367)	-	(17,367)
At 31 December 2021 (Unaudited)	891,288	63,290	355,033	1,309,611	183,870	1,493,481

(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 Fourth Quarter ended 31 December 2021**

	Current year-to-date (Unaudited) 31-Dec-21 RM'000	Corresponding year-to-date (Audited) 31-Dec-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(406,917)	88,470
<i>Adjustments for: -</i>		
- Non-cash items	518,028	111,514
- Non-operating items	29,114	30,595
Operating profit before changes in working capital	140,225	230,579
<u>Changes in working capital</u>		
Inventories	(2,174)	825
Contract assets	22,291	29,085
Trade and other payables	61,986	(78,030)
Trade and other receivables, deposits and prepayments	(41,480)	232,139
Cash generated from operations	180,848	414,598
Income tax paid	(30,077)	(81,385)
Interest paid	(464)	(738)
Interest received	8,127	11,031
Net cash from operating activities	158,434	343,506
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(40,962)	(52,698)
Proceeds from disposal of property, plant and equipment	224	6
Net movement of deposits with original maturity exceeding three months	(8,798)	(28,606)
Net cash used in investing activities	(49,536)	(81,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(17,367)	-
Drawdown of finance lease liability	316	-
Repayment of borrowings	(202,671)	(115,064)
Payment of finance lease liability	(5)	-
Payment of lease liabilities	(3,657)	(3,110)
Proceeds from private placement of shares, net of expenses	129,537	-
Term loan interest paid	(12,010)	(4,100)
Net movement in pledged deposits	76,352	(81,066)
Guarantee fee payment arising from Sukuk	(2,653)	(3,292)
Coupon payments arising from Sukuk	(25,630)	(37,568)
Net cash used in financing activities	(57,788)	(244,200)
Net increase in cash and cash equivalents	51,110	18,008
Effect of exchange rate movements	6,749	(4,307)
Cash and cash equivalents at the beginning of the year	281,861	268,160
Cash and cash equivalents at the end of the year	339,720	281,861

**Condensed Consolidated Statement of Cash Flows (Cont'd)**
For the Fourth Quarter ended 31 December 2021

Current year-to-date (Unaudited) 31-Dec-21 RM'000	Corresponding year-to-date (Audited) 31-Dec-20 RM'000
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Breakdown of cash and cash equivalents at the end of the year: -

Fixed deposits placed with original maturities not exceeding three months (excluding deposits pledged)	276,653	212,587
Cash on hand and at banks	88,545	81,809
Less: Overdrafts	(25,478)	(12,535)
Cash and cash equivalents	339,720	281,861

(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 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 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, <i>Leases – Covid-19 Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 9, <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> , MFRS 7 <i>Financial Instruments: Disclosures</i> , MFRS 4, <i>Insurance Contracts</i> and MFRS 16, <i>Leases – Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to MFRS 16, <i>Leases – Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

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, 1 January 2021 and 1 April 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 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 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/year**

	Current quarter ended (Unaudited) 31-Dec-21 RM'000	Corresponding quarter ended (Unaudited) 31-Dec-20 RM'000	Current year-to-date (Unaudited) 31-Dec-21 RM'000	Corresponding year-to-date (Audited) 31-Dec-20 RM'000	Preceding quarter (Unaudited) 30-Sep-21 RM'000
(Loss)/Profit for the period/year is arrived at after crediting/(charging):					
<u>Other income</u>					
Realised gain on foreign exchange	528	590	96	-	-
Reversal of impairment loss on receivables	-	28	-	-	-
Unrealised gain on foreign exchange	192	2,994	-	3,845	-
Others	1,263	31	7,541	2,279	5,245
Total other income	1,983	3,643	7,637	6,124	5,245
<u>Other expenses</u>					
Impairment loss on property, plant and equipment	(101,556)	(7,259)	(129,438)	(7,259)	-
Impairment loss on goodwill	(219,403)	-	(219,403)	-	-
Tax penalty	-	-	(58)	(1,256)	(58)
Realised loss on foreign exchange	-	-	-	(1,594)	(198)
Unrealised loss on foreign exchange	-	-	(3,544)	-	(763)
Others	(1)	-	(1)	(525)	-
Total other expenses	(320,960)	(7,259)	(352,444)	(10,634)	(1,019)
Grand total of other income, net of other expenses	(318,977)	(3,616)	(344,807)	(4,510)	4,226
Depreciation of property, plant and equipment & right-of-use assets	(72,611)	(26,644)	(155,204)	(107,670)	(28,073)

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 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 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, impairment loss on property, plant and equipment ("PPE") as well as impairment loss on goodwill.

During the current quarter and financial year-to-date, the other income/expense comprises of net realised/unrealised foreign exchange gain of RM0.72 million and net realised/unrealised foreign exchange loss of RM3.4 million respectively whereas the other comprehensive expense/income include foreign currency translation loss of RM3.4 million and foreign currency translation gain of RM39.2 million respectively.

Following a review of the requirements imposed by an oil-major client affecting Anchor Handling Tug Supply (AHTS) and the prospects of chartering AHTS in the international market being severely affected by the COVID-19 pandemic, the subsidiary of the Group has changed the estimated useful life of its fleet of 8 AHTS from 25 years to 15 years. This has resulted in additional depreciation charge of RM45.6 million for the year ended 31 December 2021.

In addition, the Group has made an allowance for impairment loss on goodwill of RM219.4 million (see Note A12) during the quarter under review and financial year-to-date. The Group has also provided for an additional allowance for impairment loss on property, plant and equipment ("PPE") of RM101.5 million (see Note A13) during the quarter under review, bringing the total allowance for impairment loss for PPE to RM129.4 million for the financial year-to-date.

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, except for the change in the estimated useful life of Anchor Handling Tug Supply (AHTS) and impairment loss on property, plant and equipment, as explained in Note A6.

The subsidiary of the Group reviews its vessels for impairment in accordance with MFRS 16, Impairment of Assets. The recoverable amounts of the vessels have been determined based on the higher of their fair value less costs of disposal ("FVL COD") and value in use ("VIU"). The subsidiary of the Group considered each vessel with vessel parts and dry docking as a cash generating unit ("CGU").

In cases where FVL COD is used to determine the recoverable amount of the CGUs, valuations were performed by an independent valuer using the market approach, including consideration of recent market transaction of vessels of similar type and age. For VIU calculations, the future cash flows are based on contracted cash flows and estimates of uncontracted cash flows over the useful life of each CGU, including scrap values discounted by an appropriate discount rate.



A7. Material Changes in Estimates (Cont'd)

Significant judgement is required in the estimation of the present value of future cash flows generated by the CGU, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Based on the assessments as at 31 December 2021, an impairment charge of RM129.4 million for property, plant and equipment has been recognised during the year.

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 year-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 Redeemable Convertible Preference Shares ("RCPS") into new ordinary shares of Perdana Petroleum Berhad ("PPB").

During the current quarter and financial year-to-date, the number of RCPS converted is 426,100 and 1,698,855 respectively at a conversion ratio of 1 RCPS : 1 ordinary share of 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 1,438,152,992 as at 31 December 2021 and the number of RCPS yet to be converted as at that date is 25,476,207.

A9. Dividend

An interim dividend of 1.5 sen per ordinary share tax exempt totaling RM17,366,576 in respect of financial year ending 31 December 2021 was declared on 11 November 2021 and paid to shareholders on 10 December 2021.

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**A10. Segmental Information**

The Group is organised 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 31 December 2021	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	-	141,629	36,372	-	178,001	22,152	200,153
Inter-segment revenue	18,658	-	31,113	4,081	53,852	(53,852)	-
Total revenue	18,658	141,629	67,485	4,081	231,853	(31,700)	200,153

Results

Segment results	(321,581)	29,162	(261,257)	361	(553,315)	188,176	(365,139)
Finance costs	(6,936)	(81)	(440)	(3)	(7,460)	-	(7,460)
Inter-segment finance costs	(5,723)	-	(1,512)	-	(7,235)	7,235	-
Total finance costs	(12,659)	(81)	(1,952)	(3)	(14,695)	7,235	(7,460)
Finance income	359	1,055	236	97	1,747	-	1,747
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	359	1,055	236	97	1,747	-	1,747
(Loss)/Profit before tax	(333,881)	30,136	(262,973)	455	(566,263)	195,411	(370,852)
Taxation							(12,586)
Loss after tax							(383,438)

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

Corresponding quarter 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	-	116,665	34,460	-	151,125	7,100	158,225
Inter-segment revenue	1,050	-	24,183	5,372	30,605	(30,605)	-
Total revenue	1,050	116,665	58,643	5,372	181,730	(23,505)	158,225
Results							
Segment results	(162)	25,370	(9,463)	2,124	17,869	(11,922)	5,947
Finance costs	(4,855)	-	(917)	(17)	(5,789)	-	(5,789)
Inter-segment finance costs	(5,347)	-	(1,656)	-	(7,003)	7,003	-
Total finance costs	(10,202)	-	(2,573)	(17)	(12,792)	7,003	(5,789)
Finance income	683	247	154	83	1,167	-	1,167
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	683	247	154	83	1,167	-	1,167
(Loss)/Profit before tax	(9,681)	25,617	(11,882)	2,190	6,244	(4,919)	1,325
Taxation							(7,336)
Loss after tax							(6,011)

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

Current 12 months ended 31 December 2021	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	-	513,125	105,481	-	618,606	49,130	667,736
Inter-segment revenue	21,808	-	133,305	21,139	176,252	(176,252)	-
Total revenue	21,808	513,125	238,786	21,139	794,858	(127,122)	667,736
Results							
Segment results	(321,170)	69,237	(313,594)	8,634	(556,893)	176,837	(380,056)
Finance costs	(32,255)	(362)	(2,351)	(20)	(34,988)	-	(34,988)
Inter-segment finance costs	(22,035)	-	(6,009)	-	(28,044)	28,044	-
Total finance costs	(54,290)	(362)	(8,360)	(20)	(63,032)	28,044	(34,988)
Finance income	2,340	4,451	1,020	316	8,127	-	8,127
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	2,340	4,451	1,020	316	8,127	-	8,127
(Loss)/Profit before tax	(373,120)	73,326	(320,934)	8,930	(611,798)	204,881	(406,917)
Taxation							(29,997)
Loss after tax							<u>(436,914)</u>

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

Corresponding 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	37,350	731,443
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	(123,954)	731,443
Results							
Segment results	(186,767)	139,684	(36,082)	8,230	(74,935)	194,006	119,071
Finance costs	(36,653)	(643)	(4,319)	(17)	(41,632)	-	(41,632)
Inter-segment finance costs	(20,275)	-	(8,801)	-	(29,076)	29,076	-
Total finance costs	(56,928)	(643)	(13,120)	(17)	(70,708)	29,076	(41,632)
Finance income	4,457	5,068	1,015	491	11,031	-	11,031
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	4,457	5,068	1,015	491	11,031	-	11,031
(Loss)/Profit before tax	(239,238)	144,109	(48,187)	8,704	(134,612)	223,082	88,470
Taxation							(55,908)
Profit after tax							<u>32,562</u>

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

As at 31 December 2021	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	1,076,483	1,318,046	1,159,467	72,907	3,626,903	(1,303,286)	2,323,617
Deferred tax assets	-	-	3,728	-	3,728	-	3,728
Current tax assets	-	815	4,562	725	6,102	-	6,102
Total assets	1,076,483	1,318,861	1,167,757	73,632	3,636,733	(1,303,286)	2,333,447
Segment liabilities	937,384	253,133	328,481	3,262	1,522,260	(759,775)	762,485
Deferred tax liabilities	-	3,124	53,695	4,861	61,680	15,583	77,263
Current tax liabilities	179	-	39	-	218	-	218
Total liabilities	937,563	256,257	382,215	8,123	1,584,158	(744,192)	839,966

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	1,445,277	1,264,542	1,505,812	64,942	4,280,573	(1,545,541)	2,735,032
Deferred tax assets	-	-	7,080	-	7,080	-	7,080
Current tax assets	-	-	3,391	-	3,391	-	3,391
Total assets	1,445,277	1,264,542	1,516,283	64,942	4,291,044	(1,545,541)	2,745,503
Segment liabilities	1,044,449	227,437	386,551	3,562	1,661,999	(779,544)	882,455
Deferred tax liabilities	-	3,868	57,053	2,303	63,224	12,388	75,612
Current tax liabilities	88	7,023	973	362	8,446	-	8,446
Total liabilities	1,044,537	238,328	444,577	6,227	1,733,669	(767,156)	966,513

**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) 31-Dec-21 RM'000	Corresponding quarter ended (Unaudited) 31-Dec-20 RM'000	Current year to-date (Unaudited) 31-Dec-21 RM'000	Corresponding year-to-date (Audited) 31-Dec-20 RM'000
Type of services				
Revenue from contracts with customers				
Topside maintenance services				
Unit rate	49,147	52,384	192,183	204,832
Lump sum	94,982	63,989	316,333	332,548
Reimbursable	19,653	7,391	53,740	38,634
Catering services	951	1,477	2,489	5,607
	164,733	125,241	564,745	581,621
Other revenue				
Marine offshore support services				
Chartering of vessels	35,420	32,984	102,991	149,822
	200,153	158,225	667,736	731,443
Timing of revenue recognition				
Services transferred over time				
Unit rate	49,147	52,384	192,183	204,832
Lump sum	94,982	63,989	316,333	332,548
Services transferred at a point in time				
Reimbursable	19,653	7,391	53,740	38,634
Catering services	951	1,477	2,489	5,607
	164,733	125,241	564,745	581,621

**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.
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 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 2021 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.

For the current financial quarter/year ended 31 December 2021, the Group has provided for an allowance of impairment loss on goodwill of RM219.4 million.



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 2021 to determine whether there is any indication of further impairment to the assets or if there is any reversal of impairment previously provided.

There were no revaluation of property, plant and equipment during the quarter and financial year ended 31 December 2021. As at 31 December 2021, all property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses.

The Group reviews its vessels for impairment in accordance with MFRS 136, Impairment of Assets. The recoverable amounts of the vessels have been determined based on the higher of fair value less costs of disposal (“FVLCOD”) and value-in-use (“VIU”). The Group considered each vessel with vessel parts and dry docking as a cash generating unit (“CGU”). In instances where the impairment loss of vessels was determined based on their FVLCOD, valuations were performed by an independent valuer using the market approach to determine the FVLCOD.

For the current financial quarter ended 31 December 2021, the Group has provided for an additional allowance of impairment loss on PPE of RM101.5 million, resulting in a total impairment loss on PPE of RM129.4 million in the current financial year. As a result, the Group’s accumulated provision for impairment loss on PPE has increased from RM16.6 million as at 31 December 2020 to RM146.0 million as at 31 December 2021.

A14. Capital Commitments

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

	RM'000
Property, plant and equipment	
Approved and contracted for	15,066

A15. Material Events Subsequent to the Reporting Period

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

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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 2021.

A17. Contingent Liabilities

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

	31-Dec-21	
	Group RM'000	Company RM'000
Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary	-	3,330

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 17 February 2022, the subsidiary of the Group has not received any response from the IRB to its reply of February 2017.

Separately on 28 August 2019, the IRB has requested the subsidiary of the Group to furnish documents relating to YA2015 to YA2017. The subsidiary of the Group has engaged a tax consultant to assist in the matter and responded to the IRB’s request. This tax audit has resulted in a tax adjustment of RM2.2 million for YA2016.

In addition to the above, the IRB has:

- (a) on 22 April 2021, written to seek clarification on certain asset transfers between group entities and the subsidiary of the Group had since replied to the IRB. On 13 August 2021, the IRB has responded with their view and stance on the tax treatment of the asset transfers and the tax consultant had assisted to write an appeal to the IRB to rebut the IRB’s view; and
- (b) conducted transfer pricing tax audits of several subsidiaries of the Group for years of assessment varying from YA 2012 to YA 2017. The tax consultant has responded to the IRB on its enquiries arising from the audits.

The subsidiary of the Group has proposed to the IRB a total Transfer Pricing tax adjustment of RM17.4 million for settlement purposes. The IRB has on 15 December 2021 issued a non-chargeability notice to the affected group entities, being a global settlement of cases (a) and (b) which resulted in adjustment of the business loss carried forward and capital allowance carried forward for YAs 2013 to YA 2019. As a consequence, cases (a) and (b) are closed.

**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 2021	Unsettled balance as at 31 December 2021
		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	-
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	14,266	6,548
		<hr/>	
		16,823	6,548
		<hr/> <hr/>	

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**

B1.1 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-21 RM'000	Corresponding quarter ended 31-Dec-20 RM'000	Variance	
			RM'000	%
Revenue	200,153	158,225	41,928	27
Gross (loss)/profit	(4,270)	41,029	(45,299)	(110)
(Loss)/Profit before interest and tax	(365,139)	5,947	(371,086)	(6,240)
(Loss)/Profit before tax	(370,852)	1,325	(372,177)	(28,089)
Loss after tax	(383,438)	(6,011)	(377,427)	(6,279)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(288,487)	13,166	(301,653)	(2,291)

In the current quarter, the Group has recorded a higher revenue of RM200.2 million and loss before tax of RM370.9 million, as compared to a revenue of RM158.2 million and profit before tax of RM1.3 million in the corresponding quarter ended 31 December 2020.

The increase in revenue in the current quarter is mainly attributable to more work orders/contracts being awarded from oil majors in the fourth quarter of 2021. Although the revenue has increased by 27% in the current quarter, the Group still recorded a larger reduction in gross loss of 110% due to the change of estimated useful life of 8 AHTS from 25 years to 15 years in the subsidiary of the Group. As a result, its depreciation charge has been increased significantly by RM45.6 million during the quarter ended 31 December 2021.

The loss before tax of RM370.9 million in the current quarter is arrived at, after taking into account of an allowance for impairment loss on trade receivables of RM10.4 million, an additional impairment loss on PPE of RM101.5 million (see Note A13) as well as impairment loss on goodwill of RM219.4 million (see Note A12), compared to an allowance for impairment loss on PPE of RM7.3 million and net realised/unrealised foreign exchange gain of RM3.6 million that have been provided in the corresponding quarter of 2020.

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 2021 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-21 RM'000	Corresponding year-to-date 31-Dec-20 RM'000	Variance	
			RM'000	%
Revenue	667,736	731,443	(63,707)	(9)
Gross profit	81,526	232,174	(150,648)	(65)
(Loss)/Profit before interest and tax	(380,056)	119,071	(499,127)	(419)
(Loss)/Profit before tax	(406,917)	88,470	(495,387)	(560)
(Loss)/Profit after tax	(436,914)	32,562	(469,476)	(1,442)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(318,932)	56,412	(375,344)	(665)

For the financial year ended 31 December 2021, the Group recorded a revenue of RM667.7 million, which was 9% slightly lower than the revenue of RM731.4 million in the previous year ended 31 December 2020. In current year, the Group also recorded loss before tax of RM406.9 million, which was lower by RM495.4 million compared to profit before tax of RM88.5 million in corresponding year.

The lower revenue in the current year is mainly due to the slower work orders/contracts being awarded from oil majors during the year. As a result, vessel utilisation during the current year has been reduced from 53% to 44%, as compared to the corresponding year ended 31 December 2020.

In arriving at the loss before tax, The Group has made an impairment loss on PPE of RM129.4 million, an allowance for impairment loss on trade receivables of RM10.4 million, net realised/unrealised foreign exchange loss of RM3.4 million as well as impairment loss on goodwill of RM219.4 million, as compared to an impairment loss on PPE of RM7.3 million and net realised/unrealised foreign exchange gain of RM2.3 million in the preceding year.

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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-21 RM'000	Preceding quarter ended 30-Sep-21 RM'000	Variance	
			RM'000	%
Revenue	200,153	223,836	(23,683)	(11)
Gross (loss)/profit	(4,270)	60,387	(64,657)	(107)
(Loss)/Profit before interest and tax	(365,139)	36,079	(401,218)	(1,112)
(Loss)/Profit before tax	(370,852)	30,239	(401,091)	(1,326)
(Loss)/Profit after tax	(383,438)	20,115	(403,553)	(2,006)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(288,487)	18,983	(307,470)	(1,620)

In the current quarter, the Group has recorded a lower revenue of RM200.2 million and loss before tax of RM370.9 million, as compared to revenue of RM223.8 million and a profit before tax of RM30.2 million in the third quarter of 2021.

The decrease in revenue in the current quarter as compared to the immediate preceding quarter is mainly attributable to lower vessel utilisation at 38% as compared to 66% in the third quarter of 2021. The typically lower vessel utilisation in the fourth quarter of 2021 is a result of seasonal monsoon weather and slower work orders received from the oil majors.

The loss before tax of RM370.9 million in the current quarter has taken into account an impairment loss on trade receivables of RM10.4 million, additional impairment loss on PPE of RM101.5 million as well as impairment loss on goodwill of RM219.4 million.

B3. Prospects

Despite the Group having suffered a net loss of RM436.9 million in 2021, the Group remains on strong financial footing with a solid asset base of RM2.3 billion, estimated call out order book of RM1.9 billion, strong cash balance of RM456.1 million and a healthy gearing ratio.

For the period under review, business activities recorded a slowdown in all divisions due to Covid-19. Moving forward, we are cautiously optimistic that the outlook for financial year 2022 would be stronger with improving economic activities and stable crude oil price. The Group's good track record in project delivery and professional management also augurs well for its road to recovery.

We will continue to be vigilant and exercise prudence managing operational cost while continuing to strengthen our balance sheet, improve liquidity position, and streamline operating model to provide greater flexibility for strategic growth.

**B4. Profit Forecast and Profit Guarantee**

There was no profit guarantee issued by the Group.

B5. Income Tax Expense

	Current quarter ended 31-Dec-21 RM'000	Corresponding quarter ended 31-Dec-20 RM'000	Current year-to-date 31-Dec-21 RM'000	Corresponding year-to-date 31-Dec-20 RM'000
Current tax expense				
- Current year	9,169	9,499	25,440	44,065
- Under/(Over)-provision in prior year	4	-	(445)	1,273
	9,173	9,499	24,995	45,338
Deferred tax expense				
- Reversal or origination of temporary differences	(2,072)	202	(647)	6,546
- Under/(Over)-provision in prior year	5,485	(2,365)	5,649	4,024
	3,413	(2,163)	5,002	10,570
	12,586	7,336	29,997	55,908

For the current quarter and financial year-to-date, the Group still incurs a tax charge of RM12.6 million and RM30.0 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.

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**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:

	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Remark
	RM’000	RM’000		RM’000
Early redemption of part of the Sukuk Murabahah and coupon payments	75,537	75,537	Within 3 months upon completion of the placement	-
Working capital of the Group	54,000	3,000	Within 12 months upon receipt of funds	51,000 Available for use
Estimated expenses for placement share issue	2,806	2,806	Upon completion of the private placement	-
Total	<u>132,343</u>	<u>81,343</u>		<u>51,000</u>

Save for the above, there were no other corporate proposals announced but not completed as at 17 February 2022, 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 December 2021 were as follows:

	As at 31-Dec-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	-	3,330	-	9,571
Term loans	3,914	16,353	18,399	73,888
Islamic facility	-	2,357	-	2,357
Overdrafts	-	25,478	-	12,535
Finance lease	-	57	-	-
	3,914	129,475	18,399	180,251
Non-current				
Secured				
Sukuk	-	347,590	-	496,991
Term loans	-	-	-	3,330
Term loans	9,830	41,070	3,645	14,638
Islamic facility	-	8,740	-	11,097
Finance lease	-	252	-	-
	9,830	397,652	3,645	526,056
Total	13,744	527,127	22,044	706,307

Exchange rate (USD: MYR):

USD1: MYR4.178

USD1: MYR4.016

Source of reference: Bank Negara Malaysia Website

As at 31 December 2021, the total outstanding borrowings have reduced to RM527.1 million as compared to RM706.3 million as at 31 December 2020 mainly due to repayment of Sukuk of RM156.9 million and term loan of RM40.7 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 finance lease 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 17 February 2022, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

B11. Dividend

The Board has at its Board of Directors meeting held on 25 November 2021, approved a single-tier interim dividend of 1.5 sen per ordinary share tax exempt totalling RM17,366,576 in respect of financial year ending 31 December 2021. The dividend was paid on 10 December 2021. The entitlement date was on 26 November 2021.

B12. (Loss)/Earnings Per Share

Basic (loss)/earnings per share	Current quarter ended 31-Dec-21	Corresponding quarter ended 31-Dec-20	Current year-to-date 31-Dec-21	Corresponding year-to-date 31-Dec-20
(Loss)/Profit for the period/year attributable to Owners of the Company (RM'000)	(288,487)	13,166	(318,932)	56,412
Weighted average number of ordinary shares in issue ('000)	1,157,772	1,061,291	1,138,211	1,061,291
Basic (loss)/earnings per share (sen)	(24.92)	1.24	(28.02)	5.32

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 22 February 2022.

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