



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Third Quarter ended 30 September 2019 (Unaudited)**

	Current Quarter Ended 30-Sep-19 (Unaudited) RM'000	Corresponding Quarter Ended 30-Sep-18 (Unaudited) RM'000	Cumulative Period To Date 30-Sep-19 (Unaudited) RM'000	Corresponding Period To Date 30-Sep-18 (Unaudited) RM'000
Revenue	357,576	281,933	761,163	651,993
Operating expenses	(173,468)	(178,598)	(436,647)	(430,143)
Gross profit	184,108	103,335	324,516	221,850
Other income	11,606	1,533	14,593	1,805
Administration expenses	(28,243)	(21,888)	(78,257)	(64,383)
Other operating expenses	(73)	5,303	(439)	(11,122)
Results from operating activities	167,398	88,283	260,413	148,150
Finance costs	(16,735)	(21,500)	(48,923)	(63,193)
Finance income	933	953	4,030	3,834
Net finance costs	(15,802)	(20,547)	(44,893)	(59,359)
Profit before tax	151,596	67,736	215,520	88,791
Income tax expense	(37,353)	(16,401)	(65,490)	(42,064)
Profit for the period	114,243	51,335	150,030	46,727
Other comprehensive income, net of tax				
Foreign currency translation	11,248	11,449	11,980	7,449
Cash flow hedge	-	(43)	(78)	(116)
Other comprehensive income for the period, net of tax	11,248	11,406	11,902	7,333
Total comprehensive income for the period	125,491	62,741	161,932	54,060
Profit for the period				
Attributable to:				
Owners of the Company	107,095	48,754	158,050	66,498
Non-controlling interest	7,148	2,581	(8,020)	(19,771)
	114,243	51,335	150,030	46,727
Total comprehensive income for the period				
Attributable to:				
Owners of the Company	113,898	55,652	165,249	70,933
Non-controlling interest	11,593	7,089	(3,317)	(16,873)
	125,491	62,741	161,932	54,060
Weighted average number of ordinary shares in issue ('000)	964,810	964,810	964,810	964,810
Basic earnings/(loss) per ordinary share (sen)	11.10	5.05	16.38	6.89

(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 2018 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Financial Position
As at 30 September 2019 (Unaudited)**

	UNAUDITED AS AT 30-Sep-19 RM'000	AUDITED AS AT 31-Dec-18 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,396,571	1,442,096
Prepaid lease payments	9,110	9,386
Refundable deposits	12,000	46,043
Goodwill	653,627	653,627
Deferred tax asset	25,559	25,559
Derivative assets	-	78
TOTAL NON CURRENT ASSETS	2,096,867	2,176,789
CURRENT ASSETS		
Inventories	6,875	7,285
Contract assets	240,115	150,008
Trade and other receivables	149,410	124,606
Other investments	-	1,490
Deposits and prepayments	6,631	10,810
Current tax assets	2,528	4,375
Cash and cash equivalents	274,959	221,779
TOTAL CURRENT ASSETS	680,518	520,353
TOTAL ASSETS	2,777,385	2,697,142
EQUITY AND LIABILITIES		
EQUITY		
Share capital	672,988	672,988
Reserves	615,819	450,570
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,288,807	1,123,558
NON-CONTROLLING INTEREST	172,934	176,251
TOTAL EQUITY	1,461,741	1,299,809
NON CURRENT LIABILITIES		
Loans and borrowings	105,613	24,428
Deferred tax liabilities	73,776	73,776
TOTAL NON CURRENT LIABILITIES	179,389	98,204
CURRENT LIABILITIES		
Loans and borrowings	832,572	1,064,752
Trade and other payables	259,638	205,514
Current tax liabilities	44,045	28,863
TOTAL CURRENT LIABILITIES	1,136,255	1,299,129
TOTAL LIABILITIES	1,315,644	1,397,333
TOTAL EQUITY AND LIABILITIES	2,777,385	2,697,142
Net assets per share (sen)	134	116

(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 2018 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Changes in Equity
For the Third Quarter ended 30 September 2019 (Unaudited)

	Attributable to the Owners of the Company				Non-controlling interest	Total Equity
	Non-Distributable		Distributable	Total		
	Share Capital	Other reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	672,988	53,847	233,005	959,840	190,087	1,149,927
Profit for the period	-	-	160,150	160,150	(16,167)	143,983
Foreign currency translation differences for foreign operations	-	3,662	-	3,662	2,392	6,054
Cash flow hedge	-	(94)	-	(94)	(61)	(155)
Total comprehensive income for the period	-	3,568	160,150	163,718	(13,836)	149,882
At 31 December 2018	672,988	57,415	393,155	1,123,558	176,251	1,299,809



Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the Third Quarter ended 30 September 2019 (Unaudited)

	Attributable to the Owners of the Company			Non-controlling interest	Total Equity	
	Non-Distributable		Distributable			Total
	Share Capital	Other reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2019	672,988	57,415	393,155	1,123,558	176,251	1,299,809
Profit for the period	-	-	158,050	158,050	(8,020)	150,030
Foreign currency translation differences for foreign operations	-	7,246	-	7,246	4,734	11,980
Cash flow hedge	-	(47)	-	(47)	(31)	(78)
Total comprehensive expense for the period	-	7,199	158,050	165,249	(3,317)	161,932
				-		
At 30 September 2019	672,988	64,614	551,205	1,288,807	172,934	1,461,741

(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 2018 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Cash Flows
For the Third Quarter ended 30 September 2019 (Unaudited)

	Current period-to-date (unaudited) 30-Sep-19 RM'000	Corresponding period-to-date (unaudited) 30-Sep-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	215,520	88,790
Adjustments for:-		
- Non-cash items	71,569	102,757
- Non-operating items	67,389	75,981
Operating profit before changes in working capital	354,478	267,528
<u>Changes in working capital</u>		
Inventories	411	286
Trade and other receivables	(58,331)	(172,637)
Trade and other payables	(20,024)	48,473
Total changes in working capital	(77,944)	(123,878)
Cash generated from operations	276,534	143,650
Interest received	2,953	3,012
Interest paid	-	(8,925)
Tax paid	(51,802)	(28,449)
Total interest and tax paid	(48,849)	(34,362)
Net cash generated from operating activities	227,685	109,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal/(Placement) of fixed deposits	(14,952)	44,159
Acquisition of property, plant and equipment	(22,997)	(15,929)
Proceeds from disposal of other investments	1,521	-
Net cash used in investing activities	(36,428)	28,230
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	106,500	-
Repayment of borrowings	(181,797)	(175,337)
Payments of finance lease liabilities	-	(4,320)
Term loan interest paid	(32,711)	(43,315)
Coupon paid	(10,881)	(12,879)
Net cash used in financing activities	(118,889)	(235,851)
Net increase/(decrease) in cash and cash equivalents	72,368	(98,333)
Effect of foreign exchange translation	(2,093)	(9,540)
Cash and cash equivalents at the beginning of the period	195,649	164,901
Cash and cash equivalents at the end of the period	265,924	57,028
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	128,988	64,307
Cash and bank balances	145,971	47,168
Bank overdrafts	-	(42,911)
	274,959	68,564
Less: Deposits pledged as security	(9,035)	(11,536)
Cash and cash equivalents	265,924	57,028

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 2018 and the accompanying notes attached to this interim financial report).

**A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING****A1. Basis of reporting preparation**

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2018 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 2018, except for the adoption of the following Accounting Standards, Amendments and Interpretations from 1 January 2019:

MFRS/ Amendment/ Interpretation	Effective date
MFRS 16, <i>Leases</i>	1 January 2019
IC Interpretation 23, <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3, <i>Business Combinations</i> (<i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>)	1 January 2019
Amendments to MFRS 9, <i>Financial Instruments – Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11, <i>Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 112, <i>Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 123, <i>Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 128, <i>Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 119, <i>Employee Benefits-Plan Amendment, Curtailment or Settlement</i>	1 January 2019

The adoption of the above Accounting Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group and the Company.

**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 3, <i>Business Combinations</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
MFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, 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 plans to apply from the annual period beginning on 1 January 2020, those accounting standards, amendments or interpretation that are effective for annual periods beginning on or after 1 January 2020.

MFRS 17, *Insurance Contracts*, which is effective for the annual periods beginning on 1 January 2021, is not applicable to the Group.

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 2018.

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**A4. Profit for the period**

	Current quarter ended (unaudited) 30-Sep-19 RM'000	Corresponding quarter ended (audited) 30-Sep-18 RM'000	Current period-to-date (unaudited) 30-Sep-19 RM'000	Corresponding period-to-date (unaudited) 30-Sep-18 RM'000	Preceding quarter (unaudited) 30-Jun-19 RM'000
Profit/(loss) for the period is arrived at after (charging)/crediting:					
<u>Other income</u>					
Reversal of impairment loss on property, plant and equipment	-	-	2,818	-	2,818
Gain on bargain purchase	10,561	-	10,561	-	-
Reversal of accrued interest/penalty upon settlement of loan	882	-	882	-	-
Others	163	1,533	332	1,805	(139)
Total other income	11,606	1,533	14,593	1,805	2,679
<u>Other expenses</u>					
Amortisation of intangible assets	-	(3,122)	-	(9,368)	-
Realised gain/(loss) on foreign exchange	354	(97)	323	1,798	(73)
Unrealised (loss)/gain on foreign exchange	(427)	14,290	(762)	9,605	(1,374)
Allowance for impairment loss on receivables	-	-	-	(297)	-
Allowance for impairment loss on property, plant and equipment	-	(5,768)	-	(12,860)	-
Total other income/(expenses)	(73)	5,303	(439)	(11,122)	(1,447)
Grand total of other income/(expenses)	11,533	6,836	14,154	(9,317)	1,232
Depreciation of property, plant and equipment & amortisation of prepaid lease payment	(28,292)	(30,437)	(84,188)	(89,837)	(28,159)

Save for the above, there were no allowance for write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and material exceptional items that are included in the profit of the Group for the current quarter ended 30 September 2019.

**A5. Seasonal or cyclical factors**

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

A6. Items of unusual nature and amount

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

During the current quarter and financial period-to-date, the other expenses are comprised of unrealised foreign exchange loss of RM0.4 million and RM0.8 million respectively whereas the other comprehensive income include foreign currency translation gain of RM11.2 million and RM12.0 million respectively.

In addition, the Group through Perdana Petroleum Bhd has accounted for a gain on bargain purchase of RM10.6 million arising from an acquisition of a subsidiary during the quarter under review and financial period to date. The group has also made a reversal of impairment loss on PPE of USD0.7 million (equivalent to RM2.8 million) during the financial period to date.

A7. Material changes in estimates

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

A8. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

In accordance with Section 618 of the Companies Act 2016, any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital. The Company has 24 months upon the commencement of the Companies Act 2016 on 31 January 2017 to utilize the credit. Included in the share capital is share premium amounting to RM147.0 million that has not been utilized within the period for utilisation which expired on 30 January 2019.

A9. Dividend

No dividend has been declared or paid for the financial year ended 31 December 2018 and the current period ended 30 September 2019.

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

Corresponding quarter ended 30 September 2018	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	-	238,183	43,750	-	281,933	-	281,933
Inter-segment revenue	1,262	-	63,819	6,262	71,343	(71,343)	-
Total revenue	1,262	238,183	107,569	6,262	353,276	(71,343)	281,933
Results							
Segment results	101	62,683	31,929	2,759	97,472	(9,189)	88,283
Finance costs	(5,802)	(3,804)	(11,894)	-	(21,500)	-	(21,500)
Inter-segment finance costs	(3,327)	-	(2,739)	-	(6,066)	6,066	-
Finance costs	(9,129)	(3,804)	(14,633)	-	(27,566)	6,066	(21,500)
					-		
Finance income	109	423	421	-	953	-	953
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	109	423	421	-	953	-	953
(Loss)/profit before tax	(8,919)	59,302	17,717	2,759	70,859	(3,123)	67,736
Taxation							(16,401)
Profit after tax							51,335

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

Current 9 months ended 30 September 2019	Investment Holding	Offshore TMS	Marine Charter	Equipment Rental	Total	Adjustments	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue		617,980	143,183		761,163	-	761,163
Inter-segment revenue	3,721		133,564	9,654	146,939	(146,939)	-
Total revenue	3,721	617,980	276,747	9,654	908,102	(146,939)	761,163
Results							
Segment results	(441)	239,765	39,418	3,667	282,409	(21,996)	260,413
Finance costs	(15,162)	(802)	(32,959)		(48,923)		(48,923)
Inter-segment finance costs	(12,708)		(9,288)		(21,996)	21,996	-
Finance costs	(27,870)	(802)	(42,247)	-	(70,919)	21,996	(48,923)
Finance income	408	1,840	1,662	120	4,030	-	4,030
Inter-segment finance income					-		-
Finance income	408	1,840	1,662	120	4,030	-	4,030
(Loss)/profit before tax	(27,903)	240,803	(1,167)	3,787	215,520	-	215,520
Taxation							(65,490)
Profit after tax							150,030

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

Corresponding 9 months ended 30 September 2018	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	-	577,139	74,854	-	651,993	-	651,993
Inter-segment revenue	3,780	-	132,072	14,740	150,592	(150,592)	-
Total revenue	3,780	577,139	206,926	14,740	802,585	(150,592)	651,993
Results							
Segment results	347	164,724	4,912	4,197	174,180	(26,030)	148,150
Finance costs	(17,245)	(8,925)	(37,023)	-	(63,193)	-	(63,193)
Inter-segment finance costs	(9,223)	-	(7,439)	-	(16,662)	16,662	-
Finance costs	(26,468)	(8,925)	(44,462)	-	(79,855)	16,662	(63,193)
Finance income	378	1,315	2,049	92	3,834	-	3,834
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	378	1,315	2,049	92	3,834	-	3,834
(Loss)/profit before tax	(25,743)	157,114	(37,501)	4,289	98,159	(9,368)	88,791
Taxation							(42,064)
Profit after tax							46,727

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

As at 30 September 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	834,575	778,619	1,722,056	52,751	3,388,001	(638,703)	2,749,298
Deferred tax assets	-	-	25,559	-	25,559	-	25,559
Current tax assets	-	-	2,133	395	2,528	-	2,528
Total assets	834,575	778,619	1,749,748	53,146	3,416,088	(638,703)	2,777,385
Segment liabilities	261,584	(88,504)	927,254	1,784	1,102,118	95,705	1,197,823
Deferred tax liabilities	-	4,205	60,734	1,166	66,105	7,671	73,776
Current tax liabilities	234	35,909	4,976	-	41,119	2,926	44,045
Total liabilities	261,818	(48,390)	992,964	2,950	1,209,342	106,302	1,315,644

As at 30 September 2018	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	820,626	608,992	1,532,036	58,902	3,020,556	(415,612)	2,604,944
Deferred tax assets	-	-	23,235	-	23,235	-	23,235
Current tax assets	234	-	4,704	806	5,744	-	5,744
Total assets	820,860	608,992	1,559,975	59,708	3,049,535	(415,612)	2,633,923
Segment liabilities	210,371	31,469	763,738	13,897	1,019,475	317,137	1,336,612
Deferred tax liabilities	-	3,769	56,323	950	61,042	9,892	70,934
Current tax liabilities	-	19,042	-	-	19,042	3,348	22,390
Total liabilities	210,371	54,280	820,061	14,847	1,099,559	330,377	1,429,936

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

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers, except for immaterial amounts related to hedge accounting.

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

	Current quarter ended (unaudited) 30-Sep-19 RM'000	Corresponding quarter ended (unaudited) 30-Sep-18 RM'000	Current period-to-date (unaudited) 30-Sep-19 RM'000	Corresponding period-to-date (unaudited) 30-Sep-18 RM'000
Type of services				
Topside maintenance services				
Schedule of rates	81,148	126,968	307,912	372,004
Lump sum	197,648	111,215	303,592	205,135
Cost plus	10,224	-	6,476	-
Marine offshore support services				
Chartering of vessels	66,945	41,022	139,197	72,126
Mobilisation and demobilisation fees	-	-	-	-
Others	1,611	2,728	3,986	2,728
	357,576	281,933	761,163	651,993
Timing of revenue recognition				
Services transferred over time				
Topside maintenance services				
Schedule of rates	81,148	126,968	307,912	372,004
Lump sum	197,648	111,215	303,592	205,135
Marine offshore support services				
Chartering of vessels	66,944	41,022	139,197	72,126
Others	1,611	2,728	3,986	2,728
Services transferred at the point in time				
Cost plus	10,225	-	6,476	-
	357,576	281,933	761,163	651,993

**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.
Schedule of rates	Revenue is recognised overtime 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 to 45 days from invoice date.
Rental	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.
Cost plus	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 2018 to determine whether there is any indication that its CGUs may be impaired.

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

During the current quarter ended 30 September 2019, there was no impairment provided.

**A13. Valuation of property, plant and equipment (“PPE”)**

The Group reassessed its assets (except for inventories, deferred tax assets and financial assets) as at 30 September 2019 to determine whether there is any indication that its assets may be further impaired or recovered.

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

For the current financial quarter ended 30 September 2019, there were no further allowance for impairment loss nor reversal of impairment loss on PPE. The Group’s accumulated impairment loss has decreased from RM9.3 million as at 31 December 2018 to RM6.5 million as at 30 September 2019.

A14. Capital commitments

As at 30 September 2019, the Group has no outstanding or additional capital commitments which are approved and/or contracted for.

A15. Material events subsequent to the reporting period

There were no material events subsequent to the current financial quarter ended 30 September 2019 up to the date of this report which is likely to substantially affect the financial results of the Group.

A16. Changes in composition of the group

There were no changes in the composition of the Group for the current quarter ended 30 September 2019 except for:-

(i) Acquisition of 2,650,000 ordinary shares of USD2,706,400 in Mount Santubong Ltd (“MSL”) from NFC Shipping Fund C LLC (“NFC”) by a subsidiary of the Group, Perdana Jupiter Ltd (“PJL”)

On 23 May 2019, Perdana Petroleum Bhd announced that its wholly-owned subsidiary, PJL has entered into a Share Sale Agreement (“SSA”) with NFC to acquire 2,650,000 ordinary shares, representing 100% of the issued and paid up share capital of USD2,706,400 in MSL for a total cash consideration of USD1 (equivalent to RM4.18). The said acquisition was completed and MSL has effectively become a wholly owned subsidiary of PJL on 5 July 2019.

A17. Contingent Liabilities

There were no contingent liabilities outstanding as at 30 September 2019.

Further to the conclusion of the tax audit for Year of Assessment (“YA”) 2007 to YA2010 as disclosed in Note 30 to the audited financial statements for the year ended 31 December 2017, 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 has 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 IRB that it disagreed with applying the same computation method used for the earlier tax audit exercise based on reasonable technical grounds. 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 15 November 2019, the subsidiary of the Group has not received any response from the IRB to its reply of February 2017.

**A18. Significant Related Party Transactions**

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

Transactions with Directors and a company in which certain Directors have substantial financial interests:-	Nature	Amount for 6 months ended 30 September 2019	Unsettled balance as at 30 September 2019
		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	459	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	27	-
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	558	-
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Rental of office in Petaling Jaya	597	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	205	-
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	72	-
Clear Water Services Sdn Bhd	General trading specialising in oil and gas sector	2,440	347
		<u>4,358</u>	<u>347</u>

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

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

The Group's performance for the current quarter under review versus the corresponding quarter of the previous financial year is tabled below:

	Current Quarter ended 30-Sep-19 RM'000	Corresponding Quarter ended 30-Sep-18 RM'000		Variance RM'000 %
Revenue	357,576	281,933	75,643	27
Gross profit	184,108	103,335	80,773	78
Profit before interest and tax	167,398	88,283	79,115	90
Profit before tax	151,596	67,736	83,860	124
Profit after tax	114,243	51,335	62,908	123
Profit attributable to Ordinary Equity Holders of the Parent	107,095	48,754	58,341	120

Comparatively, the Group's revenue for the current quarter ended 30 September 2019 increased by 27% while the group made a profit before tax of RM151.6 million for the current quarter as compared to profit before tax of RM67.7 million in the corresponding quarter ended 30 September 2018.

The higher revenue in the current quarter is mainly due to higher vessel utilisation and higher work orders received and performed under the topside maintenance contracts.

Whilst revenue increased by RM75.6 million ie 27%, profit before tax for the current quarter increased by RM83.9 million ie. 124% due to higher profit margin on work orders received and performed in the current quarter as compared to the corresponding quarter.

In addition, the profit before tax in the current quarter has also taken into account a one-off gain on bargain purchase of RM10.6 million arising from the acquisition of a new subsidiary in July 2019 (see Note A16).

The profit before tax in the corresponding quarter has taken into account of amortization expenses of RM3.1 million, impairment loss on PPE of RM5.8 million and net realised/unrealised foreign exchange gain of RM14.2 million.

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 30 September 2019 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:

	Cummulative year-to-date 30-Sep-19 RM'000	Corresponding year-to-date 30-Sep-18 RM'000	RM'000	Variance %
Revenue	761,163	651,993	109,170	17
Gross profit	324,516	221,850	102,666	46
Profit before interest and tax	260,413	148,150	112,263	76
Profit before tax	215,520	88,791	126,730	143
Profit after tax	150,030	46,727	103,303	221
Profit attributable to Ordinary Equity Holders of the Parent	158,050	66,498	91,552	138

Revenue increased by 17% from RM652.0 million in the previous corresponding period-to-date to RM761.2 million in the current period-to-date. The higher revenue in the current period as compared to the corresponding period is mainly due to higher value of work order received and performed in the current period-to-date.

The Group registered a significantly higher profit before tax for the current period ended 30 September 2019 mainly due higher profit margin on works orders received and performed during the current financial period as compared to the corresponding financial period.

The Group has accounted for a gain on bargain purchase of RM10.6 million arising from the acquisition of a new subsidiary in the current period. In addition, the profit before tax for the current period has taken into account a reversal of impairment loss on PPE of RM2.8 million as compared to an allowance of impairment loss on PPE of RM13.1 million in the corresponding period and a net realised/unrealised foreign exchange loss of RM.4 million as compared to a net realised/unrealised foreign gain of RM11.4 million in the corresponding period. The profit before tax in the corresponding period has also taken into account of amortization expenses of RM9.4 million.

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

	Current Quarter ended	Preceding Quarter ended	Variance	
	30-Sep-19	30-Jun-19	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	357,576	247,179	110,397	45
Gross profit	184,108	113,847	70,261	62
Profit before interest and tax	167,398	86,391	81,007	94
Profit before tax	151,596	72,388	79,208	109
Profit after tax	114,243	52,940	61,303	116
Profit attributable to Ordinary Equity Holders of the Parent	107,095	55,090	52,005	94

In the current quarter, the Group's revenue was 45% higher as compared to the preceding quarter. In the current quarter the Group made a profit before tax of RM151.6 million as compared to a profit before tax of RM72.4 million in the preceding quarter.

The significant increase in revenue in the current quarter as compared to the immediate preceding quarter is mainly due to higher vessel utilisation rate and higher work orders from the maintenance contracts. The higher vessel utilisation is a result of improved work orders/contracts awarded from the oil majors during the third quarter of 2019.

The higher profit before tax of RM151.6 million in the current quarter is mainly attributed to the higher profit margin as a result of higher productivity and efficiency in work orders performed under the topside maintenance contracts. In addition to that, the Group has accounted for a gain on bargain purchase of a subsidiary amounting to RM10.6 million in the current quarter.

B3. Prospects

We are proud to hit a significant milestone by achieving a record high quarterly profit in the third quarter of 2019. This is the first time ever that we have registered quarterly profit in excess of RM100 million throughout the long history of Dayang. This speaks volume of our outstanding track record of continuously pursuing operational excellence in delivering the hook-up commissioning, topside maintenance services as well as the engineering procurement construction and commissioning (EPCC) projects.

Our all-time high quarterly profit was more than doubled from the corresponding quarter last year, in tandem with the high revenue achieved in the third quarter of 2019. This is also the third successive improvement in our quarterly results in 2019, mirroring the trend in 2018. More importantly, our profit in the first nine months of financial year 2019 has already surpassed that of the full year profit of financial year 2018. This will certainly pave the way for a strong financial year ending 2019.

This impressive achievement comes on the back of the robust work orders for the Maintenance, Construction and Modifications Contract (MCM) and Topside Maintenance Services works under the Pan Hook-up and Commissioning Contract (Pan HUC). Consequently, vessel utilisation at Perdana also came in much stronger at 91%, as compared to 79% in the second quarter and 36% in the first quarter, of 2019.

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

We are particularly excited with the higher work orders procured throughout the quarter as the job momentum has picked up significantly in the second half of 2019. In addition, the synergistic collaboration between Dayang and its subsidiary, Perdana Petroleum has again yielded the desired results, giving the combined group an unrivalled competitive advantage as the leading integrated MCM player.

Barring any unforeseen circumstances, we are optimistic that the strong earnings trend will be sustainable, premised on our large order book, estimated at RM2.5 billion, implying clear earnings visibility over the next three years. In August 2019, we have obtained a new 15-month HUC contract from PETRONAS Carigali which signifies the robust outlook for upstream maintenance activities. We remain upbeat on the company's future prospects as Dayang will leverage on its strong execution track record to ride on the ramp-up in business activities.

Meanwhile, we are optimistic that the group-wide debt restructuring will be successfully and comprehensively completed by the first quarter of 2020. Post-restructuring, Dayang will emerge stronger with optimal capital structure which will stand the group in good stead amid the recovery in the oil and gas sector. Coupled with the strong cash flow generation, our more efficient capital structure will set a solid foundation for our long-term prospects. While we continue to steer the company towards greater heights, our stronger balance sheet will now enable us to reward our faithful shareholders who have remained steadfast with us throughout the journey.

The Board remains committed in ensuring the Group continues to excel and deliver a distinctive set of good result in the company's business.

B4. Profit forecast and profit guarantee

There was no profit guarantee issued by the Group.

B5. Income tax expense

	Current quarter ended 30-Sep-19 RM'000	Corresponding quarter ended 30-Sep-18 RM'000	Current period-to-date 30-Sep-19 RM'000	Corresponding period-to-date 30-Sep-18 RM'000
Malaysian income tax				
Current year	37,353	16,401	65,490	42,064

For the current quarter and financial period to-date, the Group still incurs a tax charge of RM37.4 million and RM65.5 million respectively as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

B6. Profit from sale of unquoted investments and/or properties

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

**B7. Quoted securities****Movement in unit trusts:**

	Current quarter ended 30-Sep-19 RM'000	Cumulative Year-to-date 30-Sep-19 RM'000
At beginning of the period	1,517	1,490
Change in fair value	4	31
Redemption	(1,521)	(1,521)
At end of the period	-	-

B8. Status of corporate proposal**(i) Corporate Debt Restructuring Committee (“CDRC”)**

On 4 July 2018, PPB announced that Corporate Debt Restructuring Committee (the “CDRC”) of Bank Negara Malaysia has granted approval on the Company’s application for assistance to mediate between PPB and some of its subsidiaries (the “Applicant Company/Companies”) with its financial institutions and Sukukholders (the “Lenders”).

This admission to CDRC is consistent with PPB’s strategy to streamline its operations and optimise its financial resources to focus and proactively enhance its offshore marine support services segment. It is a follow-on from PPB’s previous successful cost rationalised initiative which has had a positive impact on PPB’s financials.

PPB received approval from CDRC on 2 July 2018 (“CDRC Approval Letter”) subject to the following conditions:

- a) PPB is required to submit a Proposed Debt Restructuring Scheme within sixty (60) days from the date of the CDRC Approval Letter;
- b) PPB’s admission is limited to twelve (12) months or upon signing of a debt restructuring agreement, whichever is earlier; and
- c) The Proposed Debt Restructuring Scheme must comply with the CDRC’s restructuring principles for PPB to continue to remain under the Standstill arrangement with the Lenders.

The Standstill Letter was issued by CDRC to the Lenders of PPB on 2 July 2018.

The CDRC, which is under the purview of Bank Negara Malaysia, will mediate between PPB and their respective Financiers to renegotiate their respective financing facilities that can be sustained in the face of this challenging period for the oil and gas industry, in line with the above conditions. This successful mediation would enable Dayang Group to be better positioned to raise new financing and capital in the future and ensure its operations and PPB to easily sustain its underlying viability going forward.

PPB is exploring various options for the Proposed Debt Restructuring Scheme, including but not limited to extension of tenure of borrowings, disposal of assets, special issue or placement of shares and rights issue. Depending on the scheme eventually accepted by not less than 75% by value of the Lenders, there may be a need to write-down PPB’s non-financial assets (except inventories and deferred tax assets) to market value, if lower than their carrying amount. As PPB is still exploring the various debt restructuring options, it is unable to provide further details at this stage.

**B8. Status of corporate proposal (Cont'd)****(i) Corporate Debt Restructuring Committee (“CDRC”) (Cont'd)**

On 30 August 2018, PPB has sought an extension of time of 30 days to submit the PDRS from 1 September 2018.

On 10 October 2018, PPB has conducted its first CDRC meeting and presented a draft PDRS to the lenders. Subsequently on 15 November 2018, a second CDRC meeting has taken place to provide further updates and details of the debt settlement scheme.

On 28 January 2019, a third CDRC meeting was held to provide milestone updates and proposed scheme enhancement to all lenders.

Further details on the debt restructuring option agreeable to the Lenders will be provided at the appropriate time. Barring any unforeseen circumstances, the CDRC program is expected to be completed within 18 months from the date of admission, i.e., 2 July 2018.

(ii) Debt restructuring exercise

On 17 May 2019, Dayang Enterprise Holdings Bhd (“Dayang”) announced that it proposes to undertake the following:-

(a) Proposed Rights Issue

Proposed renounceable rights issue of up to 96,480,983 new ordinary shares in Dayang Enterprise Holdings Bhd (“**Dayang Shares**”) on the basis of 1 rights share for every 10 Dayang shares.

The Board had on the 7 November 2019 resolved to fix the issue price at RM0.92 per rights share and that the entitlement date for the rights issue to be 21 November 2019. On even date, Dayang has entered into an underwriting agreement with Kenanga IB (“Underwriter”), whereby the Underwriter will underwrite 46,702,945 rights shares, representing approximately 48.41% of the total rights shares available for subscription pursuant to the rights issue of shares.

(b) Proposed Private Placement

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; and

(c) Proposed Subscription

Proposed subscription of new redeemable convertible preference shares (“**RCPS**”) of up to RM455.0 million in Perdana Petroleum Berhad (“**PPB**”) at the entitlement basis and issue price to be determined later pursuant to the proposed rights issue of RCPS to be undertaken by PPB as detailed in item (d).

On 13 September 2019, Dayang has Issued the Notice of Extraordinary General Meeting (“EGM”) and the circular to shareholders in relation to the Proposals. On 1 October 2019, all the resolutions prescribed in the Notice of EGM were duly passed by way of poll at the EGM convened by the Company.

**B8. Status of corporate proposal (Cont'd)****(ii). Debt restructuring exercise (Cont'd)**

On 22 October 2019, Dayang has made a lodgement with the Securities Commission Malaysia (“SC”) pursuant to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued on 9 March 2015, effective on 15 June 2015 and revised on 11 October 2018) in relation to the establishment of the Sukuk Murabahah Programme and the issuance of Sukuk Murabahah (“New Sukuk”) under the Sukuk Murabahah Programme thereafter.

The Sukuk Murabahah Programme shall have a tenure of eight (8) years and the first issuance under the programme will be made within sixty (60) business days from the lodgement date. The Sukuk Murabahah Programme will be unrated and is structured based on the Shariah principle of Murabahah (via Tawarruq arrangement).

Proceeds raised from the issuance of Sukuk Murabahah under the Sukuk Murabahah Programme shall be utilised to part finance the settlement sum (which shall include the principal and profit/interest amount due) for certain specified financing facilities of Dayang and its group of companies.

Maybank Investment Bank Bhd and United Overseas Bank (Malaysia) Bhd are the Joint Principal Advisers and Joint Lead Arrangers for the Sukuk Murabahah Programme

On 15 November 2019, the New Sukuk of RM682.50 million was successfully issued. Dayang had on the same day advanced RM365.0 million to PPB for the purpose of redeeming the outstanding PPB’s Sukuk Murabahah of RM365.0 million.

(d) Proposed Rights Issue of Redeemable Convertible Preference Shares (“RCPS”), Amendments to PPB’s Constitution and Provision of Financial Assistance

On 17 May 2019, Perdana Petroleum Bhd (“PPB”) announced and proposed to undertake the following:

- (i) Proposed renounceable rights issue of new redeemable convertible preference shares (“RCPS”) to the entitled shareholders of the Company (“Entitled Shareholders”) at an issue price and basis to be determined and announced later (“Proposed Rights Issue of RCPS”); and
- (ii) Proposed amendments to the Constitution of the Company to facilitate the creation of the RCPS pursuant to the Proposed Rights Issue of RCPS (“Proposed Amendments”).

PPB intends to raise a minimum gross proceeds of RM455.0 million and a maximum gross proceeds of RM506.0 million from the Proposed Rights Issue of RCPS.

The Proposed Rights Issue of RCPS entails the issuance of the RCPS to the shareholders of PPB whose names appear in the record of depositors of PPB on an entitlement date to be determined by PPB at a later date (“Entitlement Date”) (“Entitled Shareholders”) and/or their renounee(s).

The Proposed Rights Issue of RCPS is intended to raise minimum gross proceeds of RM455.0 million whereby Dayang Enterprise Holdings Bhd (“Dayang”) as the holding company and a major shareholder of PPB will undertake to subscribe for the RCPS up to the value of RM455.0 million (“Undertaking”). However, should all the Entitled Shareholders and/or their renounee(s), where applicable subscribe in full for their respective entitlements under the Proposed Rights Issue of RCPS, PPB may potentially raise maximum gross proceeds of up to RM506.0 million.

**B8. Status of corporate proposal (Cont'd)****(ii). Debt restructuring exercise (Cont'd)****(d) Proposed Rights Issue of Redeemable Convertible Preference Shares ("RCPS"), Amendments to PPB's Constitution and Provision of Financial Assistance (Cont'd)**

The entitlement basis for the Proposed Rights Issue of RCPS ("Entitlement Basis") and the issue price of the RCPS ("Issue Price") have not been fixed at this juncture to provide flexibility to PPB in respect of the pricing of the RCPS due to potential share price movements. Pricing the RCPS closer to the implementation of the Proposed Rights Issue of RCPS will also enable the Issue Price to be more reflective of the prevailing market price of ordinary shares of PPB at that point in time. The Entitlement Basis and the Issue Price will be determined and announced by PPB before the Entitlement Date.

In addition, the RCPS will be provisionally allotted to the Entitled Shareholders on the Entitlement Date after obtaining all relevant approvals in respect of the Proposed Rights Issue of RCPS. The indicative salient terms of the RCPS are set out in the relevant announcement.

The Proposed Rights Issue of RCPS will allow PPB to repay part of Dayang's advances in an expeditious manner through a set-off arrangement, whereby Dayang's advances will be directly set off against the subscription monies due from Dayang pursuant to the Undertaking ("Set-Off Arrangement"). The repayment via the Set-Off Arrangement will reduce the liabilities of the Group without any cash outflow which is expected to improve the financial position of the Group and place it on a stronger financial footing.

On 10 July 2019, PPB has submitted an application to Bursa Securities seeking its approval for an extension of time to submit the additional listing application ("ALA") and draft circular for the Proposals ("Circular") to Bursa Securities.

On 22 July 2019, PPB further announced and proposed to provide financial assistance to Dayang in the form of corporate guarantees, indemnities and/ or collaterals for banking facilities obtained or to be obtained (as the case may be) by Dayang from licensed financial institutions, up to an aggregate amount of RM682.5 million ("Proposed Provision of Financial Assistance").

As part of Dayang's group-wide debt restructuring exercise, Dayang proposed to undertake a subscription of RCPS of up to RM455.0 million in value pursuant to the Proposed Rights Issue of RCPS and undertake a proposed issuance of an unrated Islamic medium term notes of up to RM682.5 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) under a sukuk murabahah programme to be established ("Dayang Sukuk Programme"). The group-wide debt restructuring exercise of the Dayang Group aims to restructure and reschedule their loans and debt obligations to strengthen the financial position of the Dayang Group whereby part of the Dayang Sukuk Programme proceeds will be utilised for the early redemption of PPB's Sukuk Murabahah. As such, PPB will be required to undertake the Proposed Provision of Financial Assistance in favour of the relevant licensed financial institutions to facilitate the Dayang Sukuk Programme.

The Proposed Provision of Financial Assistance and the Proposed Rights Issue of RCPS together with the debt restructuring exercise will provide PPB a strong financial position to capitalise on the opportunities which are now emerging in the oil and gas industry. With an efficient capital structure, PPB and Dayang will have the flexibility to tap into the capital market for future fund raising opportunities and business expansion.



B8. Status of corporate proposal (Cont'd)

(ii). Debt restructuring exercise (Cont'd)

(d) Proposed Rights Issue of Redeemable Convertible Preference Shares (“RCPS”), Amendments to PPB’s Constitution and Provision of Financial Assistance (Cont’d)

On 25 July 2019, Bursa Securities has vided its letter dated on the same day, approved PPB’s application for an extension of time of up to 16 September 2019 to submit the ALA and draft Circular to Bursa Securities.

On 19 August 2019, PPB has submitted the Proposals application to Bursa Securities and an application to Bank Negara Malaysia (“BNM”) for the issuance of the RCPS to the non-resident shareholders of the Company in relation to the Proposed Rights Issue of RCPS. Subsequently on 6 September 2019, Bursa Securities and BNM has vide their letters approved the Company’s Proposals application and the issuance of the RCPS to the non-resident shareholders of PPB respectively. The terms and conditions of the approvals are set out in the relevant announcements dated 10 and 12 September 2019.

On 25 September 2019, PPB has issued the Notice of Extraordinary General Meeting (“EGM”) and the Circular to shareholders in relation to the Proposals. On 17 October 2019, all the resolutions as prescribed in the Notice of EGM were duly passed by way of poll at the EGM convened by PPB.

Following the latest Proposals timeline, BNM has vide its letter dated 31 October 2019, approved PPB’s application for an extension of time of up to January 2020 for the issuance of the RCPS to the non-resident shareholders of PPB pursuant to the Rights Issue of the RCPS.

Save for the above, there were no other corporate proposals announced but not completed as at 15 November 2019, 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 30 September 2019 were as follows:

	As at 30-Sep-19		As at 31-Dec-18 #	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	354,575	-	438,528
Term loans	-	274,110	-	220,411
Term loans	9,718	40,708	16,424	68,011
Finance lease liabilities	-	-	30,117	124,713
Islamic facility	-	1,179	-	-
Revolving credit	-	150,000	-	150,000
Unsecured				
Overdrafts	-	-	-	21,089
Revolving credit	-	12,000	-	42,000
	9,718	832,572	46,541	1,064,752
Non-current				
Secured				
Sukuk	-	-	-	-
Term loans	-	15,786	-	24,428
Term loans	17,786	74,506	-	-
Finance lease liabilities	-	-	-	-
Islamic facility	-	15,321	-	-
	17,786	105,613	-	24,428
Total	27,504	938,185	46,541	1,089,180

Exchange rate (USD: MYR):

USD1: MYR4.189

USD1: MYR4.141

Source of reference: Bank Negara Malaysia Website

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

As at 30 September 2019, the total outstanding borrowings have reduced to RM922 million as compared to RM1.1 billion as at 31 December 2018 mainly due to repayment of sukuk bond of RM90.0 million in April 2019, term loan of RM44.9 million and revolving credit of RM40.0 million.

Effective 2 July 2018, upon the issuance of the Standstill Letter by CDRC [refer Note B8 (ii)], PPB has not made any principal repayment (except for the Sukuk) that has fallen due up to 30 September 2019. The acquisition of MSL on 5 July 2019 (see Note A16) which was undertaken as part of PPB's debt restructuring scheme to restructure its existing finance lease arrangement whilst assuming an existing term loan obligation of MSL which resulted in a net reduction in borrowings of approximately RM60.0 million.

**B9. Group borrowings (cont'd)**

As at 31 December 2018, PPB has not met certain covenants of two term loans and has not complied with certain terms of the Sukuk bond with a total carrying amount of RM489.7 million. As a result, the non-current portions of these term loans and the Sukuk bond of RM362.1 million have been reclassified to current liabilities as at 31 December 2018. As at 30 September 2019, the outstanding amount of one of the said two term loans has been fully settled and refinanced into a new Islamic facility amounting to RM16.5 million over a tenure of 7 years in August 2019. In addition, two other term loans of PPB have been successfully restructured between a tenure of 4 – 7 years. As a result, the Group has reclassified some of its borrowings amounting to RM89.8 million to non-current liabilities as at 30 September 2019.

The remaining term loan and the Sukuk bond which has not met certain covenants has a total carrying amount of RM527.2 million as at 30 September 2019. As a result, the non-current portions of this term loan and Sukuk bond of RM390.0 million have been reclassified to current liabilities as at 30 September 2019.

The Sukuk bond, MYR denominated term loans and revolving credits are based on floating interest rate whereas the USD denominated term loan and Islamic facility are based on fixed interest rate.

B10. Material litigations

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2018 up to 15 November 2019, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

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

On 29 May 2019, the High Court has allowed the Plaintiff's claim against the Company 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 the Company 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, the Company has filed a notice of appeal to the Court of Appeal against the decision made by the High Court. The Company'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 the Company has yet to obtain the grounds of judgement from the High Court and that the Company has issued several reminders to the High Court. Therefore, the Court of Appeal has adjourned the matter to 17 December 2019 for further e-review and for the Company to update the Court of Appeal on the availability of the said grounds of judgement.

B11. Dividend

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

**B12. Earnings per share**

Basic earnings per share	Current Quarter Ended 30-Sep-19	Corresponding Quarter Ended 30-Sep-18	Cumulative Period Ended 30-Sep-19	Corresponding Period Ended 30-Sep-18
Profit for the period attributable to Owners of the Company (RM'000)	107,095	48,754	158,050	66,498
Weighted average number of ordinary shares in issue ('000)	964,810	964,810	964,810	964,810
Basic earnings per share (sen)	11.10	5.05	16.38	6.89

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 November 2019.