



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Third Quarter ended 30 September 2023**

	Current Quarter Ended 30-Sep-23 (Unaudited) RM'000	Corresponding Quarter Ended 30-Sep-22 (Unaudited) RM'000	Cumulative Period-To-Date 30-Sep-23 (Unaudited) RM'000	Corresponding Period-To-Date 30-Sep-22 (Unaudited) RM'000
Revenue	343,761	338,341	761,912	761,886
Cost of services	(189,594)	(211,780)	(450,183)	(498,014)
Gross profit	154,167	126,561	311,729	263,872
Other income	313	8,142	3,085	14,118
Administrative expenses	(30,462)	(29,094)	(84,082)	(80,693)
Other expenses	(1,337)	(12,143)	(20,478)	(17,405)
Results from operating activities	122,681	93,466	210,254	179,892
Finance costs	(7,352)	(7,124)	(22,944)	(19,491)
Finance income	3,952	1,877	10,188	5,551
Net finance costs	(3,400)	(5,247)	(12,756)	(13,940)
Profit before tax	119,281	88,219	197,498	165,952
Tax expense	(34,617)	(31,177)	(63,948)	(60,580)
Profit for the period	84,664	57,042	133,550	105,372
Other comprehensive income, net of tax				
Foreign currency translation	2,439	42,208	56,819	84,426
Total comprehensive income for the period	87,103	99,250	190,369	189,798
Profit for the period attributable to:				
Owners of the Company	76,384	52,900	125,129	108,684
Non-controlling interests	8,280	4,142	8,421	(3,312)
	84,664	57,042	133,550	105,372
Total comprehensive income for the period attributable to:				
Owners of the Company	77,908	79,791	161,277	162,472
Non-controlling interests	9,195	19,459	29,092	27,326
	87,103	99,250	190,369	189,798
Weighted average number of ordinary shares ('000)	1,157,772	1,157,772	1,157,772	1,157,772
Basic earnings per share (sen)	6.60	4.57	10.81	9.39

(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 2022 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Financial Position
As at 30 September 2023

	(Unaudited) 30-Sep-23 RM'000	(Audited) 31-Dec-22 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,003,986	1,026,318
Right-of-use assets	36,917	35,908
Deposits	-	11,087
Goodwill	424,282	424,282
Deferred tax assets	9,595	7,240
TOTAL NON-CURRENT ASSETS	1,474,780	1,504,835
CURRENT ASSETS		
Inventories	11,334	7,545
Contract assets	304,079	257,512
Trade and other receivables	179,057	124,965
Other investments	252,903	56,260
Deposits and prepayments	13,213	7,823
Current tax assets	5,286	6,273
Other financial assets	160,547	83,272
Cash and cash equivalents	140,700	313,280
TOTAL CURRENT ASSETS	1,067,119	856,930
TOTAL ASSETS	2,541,899	2,361,765
EQUITY AND LIABILITIES		
EQUITY		
Share capital	891,288	891,288
Reserves	697,840	554,678
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,589,128	1,445,966
Non-controlling interests	234,269	204,429
TOTAL EQUITY	1,823,397	1,650,395
NON-CURRENT LIABILITIES		
Loans and borrowings	231,895	260,489
Lease liabilities	6,065	5,085
Deferred tax liabilities	69,060	72,327
TOTAL NON-CURRENT LIABILITIES	307,020	337,901
CURRENT LIABILITIES		
Loans and borrowings	135,626	142,769
Lease liabilities	2,790	2,567
Trade and other payables	234,142	195,506
Current tax liabilities	38,924	32,627
TOTAL CURRENT LIABILITIES	411,482	373,469
TOTAL LIABILITIES	718,502	711,370
TOTAL EQUITY AND LIABILITIES	2,541,899	2,361,765
Net assets per share (sen)	137	125

(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 2022 and the accompanying notes attached to this interim financial report).



DAYANG ENTERPRISE HOLDINGS BHD

Company No. 200501030106 (712243-U)

Condensed Consolidated Statement of Changes in Equity For the Third Quarter ended 30 September 2023

	Attributable to the Owners of the Company					Non-controlling interests	Total Equity
	Non-Distributable		Distributable		Total		
	Share Capital	Other Reserves	Retained Earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	891,288	63,290	357,380		1,311,958	182,757	1,494,715
Reclassification	-	2,166	(2,166)		-	-	-
Profit for the year	-	-	121,203		121,203	4,134	125,337
Foreign currency translation differences for foreign operations	-	30,386	-		30,386	17,324	47,710
Total comprehensive income for the year	-	30,386	121,203		151,589	21,458	173,047
Changes in ownership interests in a subsidiary	-	-	(214)		(214)	214	-
Dividends to owners of the Company	-	-	(17,367)		(17,367)	-	(17,367)
Total transactions with owners of the Company	-	-	(17,581)		(17,581)	214	(17,367)
At 31 December 2022 (Audited)	891,288	95,842	458,836		1,445,966	204,429	1,650,395



DAYANG ENTERPRISE HOLDINGS BHD

Company No. 200501030106 (712243-U)

Condensed Consolidated Statement of Changes in Equity (Cont'd) For the Third Quarter ended 30 September 2023

	Attributable to the Owners of the Company				Non-controlling interests	Total Equity	
	Non-Distributable		Distributable				Total
	Share Capital	Other Reserves	Retained Earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2023	891,288	95,842	458,836	1,445,966	204,429	1,650,395	
Profit for the period	-	-	125,129	125,129	8,421	133,550	
Foreign currency translation differences for foreign operations	-	36,148	-	36,148	20,671	56,819	
Total comprehensive income for the period	-	36,148	125,129	161,277	29,092	190,369	
Changes in ownership interests in a subsidiary	-	-	(748)	(748)	748	-	
Dividends to owners of the Company	-	-	(17,367)	(17,367)	-	(17,367)	
Total transactions with owners of the Company	-	-	(18,115)	(18,115)	748	(17,367)	
At 30 September 2023 (Unaudited)	891,288	131,990	565,850	1,589,128	234,269	1,823,397	

(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 2022 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows
For the Third Quarter ended 30 September 2023**

	Current period-to-date (Unaudited) 30-Sep-23 RM'000	Corresponding period-to-date (Unaudited) 30-Sep-22 RM'000
Cash flows from operating activities		
Profit before tax	197,498	165,952
<i>Adjustments for: -</i>		
Depreciation of right-of-use assets	2,553	2,789
Depreciation of property, plant and equipment	74,058	63,680
Unrealised foreign exchange loss	19,385	14,500
Finance costs	22,944	19,491
Finance income	(10,188)	(5,551)
Property, plant and equipment written off	40	66
(Gain)/Loss on disposal of property, plant and equipment	(130)	761
Gain on lease modification	(203)	(31)
Reversal of impairment loss on financial assets	(1,677)	(1,407)
Operating profit before changes in working capital	304,280	260,250
<u>Changes in working capital:</u>		
Inventories	(3,789)	(752)
Contract assets	(46,567)	(178,757)
Trade and other payables	8,818	18,604
Trade and other receivables, deposits and prepayments	(57,329)	(14,767)
Cash generated from operations	205,413	84,578
Net tax paid	(62,361)	(17,982)
Interest paid	(387)	(228)
Interest received	10,188	5,551
Net cash from operating activities	152,853	71,919
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,581)	(24,197)
Refundable deposits refunded	12,000	-
Proceeds from disposal of property, plant and equipment	130	494
Net cash used in investing activities	(451)	(23,703)



Condensed Consolidated Statement of Cash Flows (Cont'd)
For the Third Quarter ended 30 September 2023

	Current period-to-date (Unaudited) 30-Sep-23 RM'000	Corresponding period-to-date (Unaudited) 30-Sep-22 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(17,367)	-
Repayment of term loans	(13,474)	(16,321)
Repayment of term loan – Islamic	(10,455)	(1,768)
Repayment of hire purchase liability	(45)	(44)
Repayment of Sukuk	(18,453)	-
Payment of lease liabilities	(2,155)	(2,518)
Term loans interest paid	(4,068)	(1,434)
Net movement in other financial assets	(77,275)	(71,439)
Guarantee fee payment arising from Sukuk	(890)	(1,136)
Coupon payments arising from Sukuk	(10,967)	(10,069)
Net cash used in financing activities	(155,149)	(104,729)
Net decrease in cash and cash equivalents	(2,747)	(56,513)
Effect of exchange rate movements	26,810	6,655
Cash and cash equivalents at the beginning of the financial period	369,540	377,054
Cash and cash equivalents at the end of the financial period	393,603	327,196
Cash and cash equivalents at the end of the financial period comprised the following: -		
Fixed deposits with maturities exceeding three months	252,903	32,310
Deposits placed with licensed banks with original maturities not exceeding three months	8,300	196,406
Cash on hand and at bank	132,400	98,480
Cash and cash equivalents	393,603	327,196

(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 2022 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 interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

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 2022, except for the adoption of the following Accounting Standards, Amendments and Interpretations:

MFRS / Amendments / Interpretation	Effective date
MFRS 17, <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17, <i>Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information</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 112, <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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

- From the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and Amendments to MFRS 17, which are assessed as presently not applicable to the Group.



A2. Changes in Accounting Policies (Cont'd)

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

MFRS / Amendments / Interpretation	Effective date
Amendment to MFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendment to MFRS 101, <i>Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>	1 January 2024
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>	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 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

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

A3. Disclosure of Audit Report Qualification and Status of Matters Raised

There were no qualifications in the audit report on the preceding annual financial statements.

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

**A4. Profit for the period**

	Current quarter ended (Unaudited) 30-Sep-23 RM'000	Corresponding quarter ended (Unaudited) 30-Sep-22 RM'000	Current period-to- date (Unaudited) 30-Sep-23 RM'000	Corresponding period-to-date (Unaudited) 30-Sep-22 RM'000	Preceding quarter (Unaudited) 30-Jun-23 RM'000
Profit for the period is arrived at after crediting/(charging):					
<u>Other income</u>					
Government subsidy	30	39	152	447	113
Insurance claim received	-	7,359	-	10,964	-
Reversal of impairment loss on financial assets	-	-	1,677	1,407	1,677
Gain on disposal of property, plant and equipment	130	-	130	-	-
Gain on lease modification	-	-	203	31	203
Others	153	744	923	1,269	267
Total other income	313	8,142	3,085	14,118	2,260
<u>Other expenses</u>					
Realised loss on foreign exchange	(89)	(204)	(337)	(269)	(80)
Unrealised loss on foreign exchange	(937)	(10,734)	(19,385)	(14,500)	(18,599)
Penalty	(310)	-	(753)	(1,417)	(443)
Others	(1)	(1,205)	(3)	(1,219)	-
Total other expenses	(1,337)	(12,143)	(20,478)	(17,405)	(19,122)
Grand total of other income, net of other expenses	(1,024)	(4,001)	(17,393)	(3,287)	(16,862)
Depreciation of property, plant and equipment & right-of-use assets	(30,105)	(20,985)	(76,611)	(66,469)	(23,844)

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 2023.



A5. Seasonal or Cyclical Factors

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

A6. Items of Unusual Nature and Amount

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

During the current quarter and financial period-to-date, the other expenses comprise net realised/unrealised foreign exchange loss of RM1.0 million and RM19.7 million respectively whereas other comprehensive income include foreign currency translation gain of RM2.4 million and RM56.8 million respectively.

A7. Material Changes in Estimates

In 2022, an oil-major client agreed on a Revision of Vessel Age Limit of AHTS from 15 years to 20 years, subject to the fulfillment of the Conditional Assessment Program ("CAP") and Overall Offshore Vessel Management Self-Assessment ("OVMSA"). Taking cognizance of the above revision and the improving prospects of the oil market, the subsidiary of the Group reassessed the value-in-use of the AHTS and other vessels, following which a net reversal of provision for impairment loss on property, plant and equipment of RM7.3 million had made for the quarter and year ended 31 December 2022. Other than that, there has neither a reversal nor additional provision of impairment loss provided during the current quarter and financial period-to-date.

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

There were no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial period to-date other than the conversion of Redeemable Convertible Preference Shares ("RCPS") into new ordinary shares of Perdana Petroleum Berhad ("PPB").

During the current quarter and financial period-to-date, the number of RCPS converted is 1,842,768 and 2,646,968 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 1,441,595,010 as at 30 September 2023 and the number of RCPS yet to be converted as at that date is 22,034,189.

A9. Dividends Paid

The first interim single-tier exempt dividend of RM0.015 per ordinary share totalling RM17,366,576 in respect of the financial year ended 31 December 2022 was declared on 17 November 2022 and was paid on 14 December 2022.

The second interim single-tier exempt dividend of RM0.015 per ordinary share totalling RM17,366,576 in respect of the financial year ended 31 December 2022 has declared on 16 February 2023 and has paid on 17 March 2023.

**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 30 September 2023	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	-	190,705	136,549	-	327,254	16,507	343,761
Inter-segment revenue	68,133	-	27,598	5,906	101,637	(101,637)	-
Total revenue	68,133	190,705	164,147	5,906	428,891	(85,130)	343,761
Results							
Segment results	65,637	61,985	57,915	2,176	187,713	(65,032)	122,681
Finance costs							
Finance costs	(6,289)	(81)	(975)	(7)	(7,352)	-	(7,352)
Inter-segment finance costs	(6,422)	-	(1,428)	-	(7,850)	7,850	-
Total finance costs	(12,711)	(81)	(2,403)	(7)	(15,202)	7,850	(7,352)
Finance income							
Finance income	578	2,416	735	223	3,952	-	3,952
Inter-segment finance income	-	7,850	-	-	7,850	(7,850)	-
Total finance income	578	10,266	735	223	11,802	(7,850)	3,952
Profit before tax	53,504	72,170	56,247	2,392	184,313	(65,032)	119,281
Tax expense							(34,617)
Profit after tax							84,664

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

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

Corresponding quarter ended 30 September 2022	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	-	256,852	49,694	-	306,546	31,795	338,341
Inter-segment revenue	1,050	-	60,347	6,533	67,930	(67,930)	-
Total revenue	1,050	256,852	110,041	6,533	374,476	(36,135)	338,341
Results							
Segment results	175	51,155	36,821	2,390	90,541	2,925	93,466
Finance costs							
Inter-segment finance costs	(6,426)	(39)	(654)	(5)	(7,124)	-	(7,124)
Total finance costs	(6,090)	-	(1,384)	-	(7,474)	7,474	-
Finance income							
Inter-segment finance income	379	1,250	116	132	1,877	-	1,877
Total finance income	-	7,474	-	-	7,474	(7,474)	-
(Loss)/Profit before tax	379	8,724	116	132	9,351	(7,474)	1,877
Tax expense	(11,962)	59,840	34,899	2,517	85,294	2,925	88,219
Profit after tax							<u>57,042</u>

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

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

Current 9 months ended 30 September 2023	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	-	448,888	250,188	-	699,076	62,836	761,912
Inter-segment revenue	106,191	-	73,927	14,034	194,152	(194,152)	-
Total revenue	106,191	448,888	324,115	14,034	893,228	(131,316)	761,912
Results							
Segment results	98,610	136,039	68,606	3,044	306,299	(96,045)	210,254
Finance costs	(19,039)	(299)	(3,589)	(17)	(22,944)	-	(22,944)
Inter-segment finance costs	(19,058)	-	(3,334)	-	(22,392)	22,392	-
Total finance costs	(38,097)	(299)	(6,923)	(17)	(45,336)	22,392	(22,944)
Finance income	1,390	6,449	1,784	565	10,188	-	10,188
Inter-segment finance income	-	22,392	-	-	22,392	(22,392)	-
Total finance income	1,390	28,841	1,784	565	32,580	(22,392)	10,188
Profit before tax	61,903	164,581	63,467	3,592	293,543	(96,045)	197,498
Tax expense							(63,948)
Profit after tax							133,550

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

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

Corresponding 9 months ended 30 September 2022	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	-	614,839	94,577	-	709,416	52,470	761,886
Inter-segment revenue	3,150	-	134,656	15,448	153,254	(153,254)	-
Total revenue	3,150	614,839	229,233	15,448	862,670	(100,784)	761,886
Results							
Segment results	355	143,763	22,802	4,198	171,118	8,774	179,892
Finance costs	(17,829)	(150)	(1,500)	(12)	(19,491)	-	(19,491)
Inter-segment finance costs	(17,491)	-	(4,296)	-	(21,787)	21,787	-
Total finance costs	(35,320)	(150)	(5,796)	(12)	(41,278)	21,787	(19,491)
Finance income	1,044	3,855	294	358	5,551	-	5,551
Inter-segment finance income	-	21,787	-	-	21,787	(21,787)	-
Total finance income	1,044	25,642	294	358	27,338	(21,787)	5,551
(Loss)/Profit before tax	(33,921)	169,255	17,300	4,544	157,178	8,774	165,952
Tax expense							(60,580)
Profit after tax							105,372

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

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

As at 30 September 2023 (Unaudited)	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	1,174,011	1,417,579	1,221,714	78,155	3,891,459	(1,364,441)	2,527,018
Deferred tax assets	-	-	9,595	-	9,595	-	9,595
Current tax assets	-	-	5,286	-	5,286	-	5,286
Total assets	1,174,011	1,417,579	1,236,595	78,155	3,906,340	(1,364,441)	2,541,899
Segment liabilities	935,745	229,007	212,347	2,436	1,379,535	(769,017)	610,518
Deferred tax liabilities	-	422	48,953	3,835	53,210	15,850	69,060
Current tax liabilities	1,333	16,986	20,043	562	38,924	-	38,924
Total liabilities	937,078	246,415	281,343	6,833	1,471,669	(753,167)	718,502

As at 30 September 2022 (Unaudited)	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	1,093,316	1,503,534	1,191,680	74,695	3,863,225	(1,330,473)	2,532,752
Deferred tax assets	-	-	4,768	-	4,768	-	4,768
Current tax assets	172	-	5,032	16	5,220	-	5,220
Total assets	1,093,488	1,503,534	1,201,480	74,711	3,873,213	(1,330,473)	2,542,740
Segment liabilities	991,223	276,463	271,202	948	1,539,836	(798,166)	741,670
Deferred tax liabilities	-	524	52,416	4,819	57,759	17,689	75,448
Current tax liabilities	-	36,108	5,001	-	41,109	-	41,109
Total liabilities	991,223	313,095	328,619	5,767	1,638,704	(780,477)	858,227

**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) 30-Sep-23 RM'000	Corresponding quarter ended (Unaudited) 30-Sep-22 RM'000	Current period-to-date (Unaudited) 30-Sep-23 RM'000	Corresponding period-to-date (Unaudited) 30-Sep-22 RM'000
Type of services				
Revenue from contracts with customers				
Topside maintenance services				
Unit rate	117,669	109,992	263,702	228,797
Lump sum	76,142	145,093	179,121	381,462
Reimbursable	13,401	33,562	68,901	57,050
Catering services	17,526	6,157	37,399	8,123
	224,738	294,804	549,123	675,432
Other revenue				
Marine offshore support services				
Chartering of vessels	119,023	43,537	212,789	86,454
	343,761	338,341	761,912	761,886
Timing of revenue recognition				
Services transferred over time				
Unit rate	117,669	109,992	263,702	228,797
Lump sum	76,142	145,093	179,121	381,462
Services transferred at a point in time				
Reimbursable	13,401	33,562	68,901	57,050
Catering service	17,526	6,157	37,399	8,123
	224,738	294,804	549,123	675,432

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



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 over time using the cost incurred method.	Credit periods of 30 days from invoice date.
Unit rate	Revenue is recognised over time using the cost incurred method.	Credit periods of 30 days from invoice date.
Reimbursable	Revenue is recognised at a point in time when the goods/services are delivered/rendered 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 to 45 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 2022 to determine whether there is any indication that its CGUs may be impaired.

The Group has applied a combination of the value-in-use (“VIU”) approach and the fair value less cost of disposal (“FVLCOD”) approach, whichever is higher, to determine the CGU’s recoverable amount and comparing this to the carrying amount of the CGU.

During the current quarter ended 30 September 2023, there was no impairment provided.



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

The Group periodically reassesses its assets (except for inventories, deferred tax assets and financial assets) to determine whether there is any indication of further impairment to the assets or if there is any reversal of impairment previously provided.

The Group generally adopts value-in-use (“VIU”) estimations for the reassessment which entail discounting the estimated future cash flows from the continuing use of its PPE. The Group may, where warranted, commission valuations to be performed by an independent valuer to determine the recoverable amounts of certain vessels based on their fair value less costs of disposal. The recoverable amounts were compared against the carrying amounts of the PPE.

For the financial year ended 31 December 2022, the Group had applied a combination of the value-in-use (“VIU”) approach and the fair value less cost of disposal (“FVLCOD”) approach, whichever is higher, to determine the recoverable amounts of the PPE. The recoverable amounts were compared against the carrying amounts of the PPE.

After those carried out in year 2022, there were no revaluations of PPE during the current quarter ended 30 September 2023. All major PPE as at 30 September 2023 were stated at cost less accumulated depreciation and accumulated impairment losses.

The Group’s accumulated impairment loss for PPE remained at RM93.9 million as at 30 September 2023 and 31 December 2022.

A14. Capital Commitments

The Group’s capital commitments as at 30 September 2023 are as follows: -

	RM'000
Property, plant and equipment	
Approved and contracted for	9,538

A15. Material Events Subsequent to the Reporting Period

There were no material events subsequent to the current financial quarter ended 30 September 2023 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 2023.

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



A17. Contingent Liabilities

In 2022, there were two (2) incidents of anchor loss involving three (3) offshore support vessels (OSV) chartered out by subsidiaries of the Group, Perdana Nautika Sdn Bhd (“PNSB”) and DESB Marine Services Sdn Bhd (“DMSSB”) to two engineering, procurement, construction and commissioning (“EPCC”) contractors. The EPCC contractors had informed the subsidiaries to retrieve the lost anchors upon receiving the instruction from their client who is also a local oil major and the mutual insurance association providing indemnity cover for the three (3) OSV concerned had been notified.

The Protection and Indemnity Mutual association (“P&I Club”) made an initial offer to indemnify PNSB up to USD2 million for the cost of recovery of the lost anchors with a penalty claim premium of USD200,250. Based on the latest finding in one of the anchor loss incidents claims, PNSB on 19 April 2023 entered into a settlement agreement resulting in an insurance compensation payment of USD333,333.33 by P&I Club to one of the EPCC Contractor. Insurance compensation has been made to EPCC Contractor on 2 May 2023 and this claim has been closed.

P&I Club has also made an initial offer to indemnify DMSSB up to USD3.25 million for the cost of recovery of the lost anchors with a penalty claim premium of USD324,975. Out of this USD 3.25 million, a compensation payment to be made by P&I Club to the EPCC Contractor is estimated at RM8 million.

As for the remaining claim, the subsidiaries of the Group are currently finalising the recovery plan and cost to be incurred and should the final recovery cost to be paid by the insurer be more than USD3.16 million, the P&I Club advised that they may have to review the premiums at the next renewal, the quantum of which cannot be ascertained at the moment.

For avoidance of doubt, based on the information made available as at this date and substantiation by the management, the Directors are of the view that no material losses will arise from the possible additional claims at the date of these financial statements.

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

**A18. Significant Related Party Transactions**

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

Transactions with Directors and a company in which certain Directors have substantial financial interests: -	Nature	Amount for 9 months ended 30 September 2023	Unsettled balance as at 30 September 2023
		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	542	-
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	241	-
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	16,461	8,608
		<u>18,498</u>	<u>8,608</u>

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

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS****B1. Review of Group's Financial Performance****B1.1 Financial Review for Current Quarter and Preceding Year Corresponding Quarter**

	Current quarter ended (Unaudited) 30-Sep-23 RM'000	Corresponding quarter ended (Unaudited) 30-Sep-22 RM'000	Variance RM'000	%
Revenue	343,761	338,341	5,420	2
Gross profit	154,167	126,561	27,606	22
Profit before interest and tax	122,681	93,466	29,215	31
Profit before tax	119,281	88,219	31,062	35
Profit after tax	84,664	57,042	27,622	48
Profit attributable to owners of the Company	76,384	52,900	23,484	44

For the current quarter ended 30 September 2023, the Group recorded revenue of RM343.8 million, which is slightly higher than the revenue of RM338.3 million in the corresponding quarter ended 30 September 2022.

The slight increase in revenue in the current quarter of 2023 is mainly due to improved daily charter rates ("DCR") of vessels and more work order/contracts being awarded from oil majors received under topside maintenance contracts. The vessel utilisation rates in the current quarter and corresponding quarter are at 80%.

The Group posted a higher profit before tax of RM119.3 million in the current quarter as compared to a profit before tax of RM88.2 million in the corresponding quarter ended 30 September 2022. The better profit was achieved on the back of better margins from vessels chartering and a much lower other expenses attributed by net realised/unrealised foreign exchange loss exposure.

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 2023 and the date of this report.

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

**B1. Review of Group's Financial Performance (Cont'd)****B1.2 Financial Review for Current Period-to-date and Preceding Period-to-date**

	Cumulative period-to-date (Unaudited)	Corresponding period-to-date (Unaudited)	Variance	
	30-Sep-23 RM'000	30-Sep-22 RM'000	RM'000	%
Revenue	761,912	761,886	26	0
Gross profit	311,729	263,872	47,857	18
Profit before interest and tax	210,254	179,892	30,362	17
Profit before tax	197,498	165,952	31,546	19
Profit after tax	133,550	105,372	28,178	27
Profit attributable to owners of the Company	125,129	108,684	16,445	15

The Group recorded revenue of RM761.9 million during the current period-to-date, which is slightly higher than the revenue of RM761.9 million in the corresponding period-to-date. In current period, the Group also recorded profit before tax of RM197.5 million, grew by RM31.5 million or 19% compared to profit before tax of RM166.0 million in corresponding period.

There has no much difference in revenue during the current period-to-date, as compared to the revenue in corresponding period-to-date. However, the gross profit has seen a larger increase of approximately 18% as a result of improved DCR with better margin from vessels chartering. Vessel utilisation for the financial period ended 30 September 2023 has improved to 60%, as compared to 57% in corresponding period ended 30 September 2022.

The profit before tax of RM197.5 million for the financial period ended 30 September 2023 is arrived at, after taking into account a reversal of impairment loss on financial assets of RM1.7 million negated by net realised/unrealised foreign exchange loss of RM19.7 million as compared to a reversal of impairment loss on financial assets of RM1.4 million, insurance claim received from the incident of Dayang Topaz in FY2020 of RM11.0 million offset by net realised/unrealised foreign exchange loss of RM14.8 million in corresponding period-to-date. Despite the impact of foreign exchange loss, the Group still recorded higher profit before tax by RM31.5 million as compared to the profit before tax in corresponding period-to-date as a result of higher utilisation rates for vessels with better margin.

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

**B2. Financial Review for Current Quarter compared with Immediate Preceding Quarter**

	Current quarter ended (Unaudited) 30-Sep-23 RM'000	Preceding quarter ended (Unaudited) 30-Jun-23 RM'000	Variance	
			RM'000	%
Revenue	343,761	305,730	38,031	12
Gross profit	154,167	147,503	6,664	5
Profit before interest and tax	122,681	102,137	20,544	20
Profit before tax	119,281	97,381	21,900	22
Profit after tax	84,664	67,831	16,833	25
Profit attributable to owners of the Company	76,384	64,690	11,694	18

For the current quarter ended 30 September 2023, the Group has recorded higher revenue of RM343.8 million and profit before tax of RM119.3 million, as compared to revenue of RM305.7 million and a profit before tax of RM97.4 million in the preceding quarter of 2023.

The increase in revenue in the current quarter is mainly due to higher vessel utilisation rate at 80% as compared to the preceding quarter of 72%, coupled with higher work orders received from the topside maintenance contracts.

The higher profit before tax of RM119.3 million in the current quarter is mainly attributable by lower net realised/unrealised foreign exchange loss of RM1.0 million as compared to net realised/unrealised foreign exchange loss of RM18.7 million in the preceding quarter.

B3. Prospects

We are expecting lower activities during the 4th quarter period as monsoon season starts and our emphasis is on the safety of our offshore crew and assets. During this period, we will be working closely with our clients to plan for future activities to be undertaken in 2024.

As at September 2023, our outstanding estimated call-out contracts stand at about RM950 million. Moving forward, we are in the midst of tendering for contracts that we normally undertake upon expiry of various existing contracts. We will remain prudent in managing our business affairs while continue to deliver outstanding performance.

**B4. Profit Forecast and Profit Guarantee**

There was no profit guarantee issued by the Group.

B5. Tax Expense

	Current quarter ended 30-Sep-23 (Unaudited) RM'000	Corresponding quarter ended 30-Sep-22 (Unaudited) RM'000	Cumulative period-to-date 30-Sep-23 (Unaudited) RM'000	Corresponding period-to-date 30-Sep-22 (Unaudited) RM'000
Income tax expense				
- Current year	34,809	28,636	68,451	58,849
- Under/(Over)provision in prior year	1,118	(779)	1,118	(779)
	35,927	27,857	69,569	58,070
Deferred tax expense				
- Reversal or origination of temporary differences	(1,345)	4,084	(5,656)	3,274
- Under/(Over)provision in prior year	35	(764)	35	(764)
	(1,310)	3,320	(5,621)	2,510
	34,617	31,177	63,948	60,580

The effective tax rate for the current quarter ended 30 September 2023 is higher than the statutory tax rate of Malaysia mainly due to certain expense items having no tax impact under the relevant local tax jurisdiction.

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

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

B7. Quoted Securities

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

B8. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at 17 November 2023, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

**B9. Loans and Borrowings**

Total Group's borrowings as at 30 September 2023 were as follows:

	As at 30-Sep-23 (Unaudited)		As at 31-Dec-22 (Audited)	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	122,850	-	122,850
Term loans	2,709	12,714	3,964	17,501
Islamic facility	-	-	-	2,357
Hire purchase liability	-	62	-	61
	2,709	135,626	3,964	142,769
Non-current				
Secured				
Sukuk	-	212,284	-	227,847
Term loans	4,148	19,466	5,866	25,899
Islamic facility	-	-	-	6,551
Hire purchase liability	-	145	-	192
	4,148	231,895	5,866	260,489
Total	6,857	367,521	9,830	403,258

Exchange rate (USD: MYR):

USD1: MYR4.693

USD1: MYR4.415

Source of reference: Bank Negara Malaysia Website

As at 30 September 2023, the total outstanding borrowings have reduced to RM367.5 million as compared to RM403.3 million as at 31 December 2022 mainly due to early redemption of Sukuk of RM18.4 million, repayment of term loans of RM13.5 million and also full settlement of an Islamic financing facility.

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 and USD denominated term loans are based on floating interest rate whereas Islamic facility term loan and hire purchase liability are based on fixed interest rate.

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



B10. Material Litigations

Save as disclosed below, the Company and/or its subsidiaries are not presently engaged in any material litigation, material claim and arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Company and/or its subsidiaries.

Reference is made to the claim made by the former Directors of the subsidiary of the Group, Perdana Petroleum Berhad ("PPB"), namely Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Datin Che Nariza Hajjar Hashim, Wong Fook Heng and Tiong Young Kong (the "Plaintiffs") on 7 August 2018 for the indemnification of legal fees they incurred in defending the prior suits brought by PPB against them.

On 29 May 2019, the High Court allowed the Plaintiff's claim against PPB for the cost incurred on an indemnity basis in defending the suits since 2009. The total amount to be paid by PPB to the Plaintiffs including the costs and the allocator fee was RM2,652,447.

On 27 June 2019, PPB filed a notice of appeal to the Court of Appeal against the decision made by the High Court. On 16 August 2021, the Court of Appeal allowed PPB's appeal for the High Court decision dated 29 May 2019 to be set aside and cost of RM30,000 was awarded to PPB. As a result, the Plaintiffs were required to refund the judgment sum of RM2,652,447 to PPB together with the costs of RM30,000.

The Plaintiffs then applied for leave to appeal to the Federal Court on 15 September 2021 and the Federal Court decision which was received by PPB on 3 March 2023 was made in favour of the Plaintiffs to set aside the decision of the Court of Appeal and upheld the decision of the High Court. PPB has been ordered to pay costs of RM100,000 and the allocator fee to the Plaintiffs.

On 10 September 2023, the Appellants sought further indemnification of legal fees of RM589,771.50 for the legal cost that has incurred for the Court of Appeal and Federal Court proceedings. PPB has made arrangements for the payment to the Appellants on 16 October 2023. This case is closed.

B11. Dividend

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

However, the Board has 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 2023 to be paid on 20 December 2023. The entitlement date shall be 8 December 2023.

For the financial year ended 31 December 2022, the first interim single-tier exempt dividend of RM0.015 per ordinary share totalling RM17,366,576 was declared on 17 November 2022 and was paid on 14 December 2022.

A second interim single-tier exempt dividend of RM0.015 per ordinary share totalling to RM17,366,576 in respect of the financial year ended 31 December 2022 has declared on 16 February 2023 and has paid on 17 March 2023.



B12. Earnings Per Share

Basic earnings per share

	Current Quarter Ended 30-Sep-23	Corresponding Quarter Ended 30-Sep-22	Cumulative Period-To-Date Ended 30-Sep-23	Corresponding Period-To-Date Ended 30-Sep-22
Profit for the period attributable to Owners of the Company (RM'000)	76,384	52,900	125,129	108,684
Weighted average number of ordinary shares ('000)	1,157,772	1,157,772	1,157,772	1,157,772
Basic earnings per share (sen)	6.60	4.57	10.81	9.39

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 23 November 2023.