



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the First Quarter ended 31 March 2023**

	Current Quarter Ended 31-Mar-23 (Unaudited) RM'000	Corresponding Quarter Ended 31-Mar-22 (Unaudited) RM'000	Cumulative Period-To-Date 31-Mar-23 (Unaudited) RM'000	Corresponding Period-To-Date 31-Mar-22 (Unaudited) RM'000
Revenue	112,421	160,136	112,421	160,136
Cost of services	(102,362)	(117,856)	(102,362)	(117,856)
Gross profit	10,059	42,280	10,059	42,280
Other income	669	5,062	669	5,062
Administrative expenses	(25,116)	(25,662)	(25,116)	(25,662)
Other expenses	(176)	(49)	(176)	(49)
Results from operating activities	(14,564)	21,631	(14,564)	21,631
Finance costs	(7,344)	(4,855)	(7,344)	(4,855)
Finance income	2,744	1,821	2,744	1,821
Net finance costs	(4,600)	(3,034)	(4,600)	(3,034)
(Loss)/Profit before tax	(19,164)	18,597	(19,164)	18,597
Tax expense	219	(9,917)	219	(9,917)
(Loss)/Profit for the period	(18,945)	8,680	(18,945)	8,680
Other comprehensive (expense)/income net of tax				
Foreign currency translation	(1,983)	5,151	(1,983)	5,151
Total comprehensive (expense)/income for the period	(20,928)	13,831	(20,928)	13,831
(Loss)/Profit for the period attributable to:				
Owners of the Company	(15,945)	13,762	(15,945)	13,762
Non-controlling interests	(3,000)	(5,082)	(3,000)	(5,082)
	(18,945)	8,680	(18,945)	8,680
Total comprehensive (expense)/income for the period attributable to:				
Owners of the Company	(17,208)	17,044	(17,208)	17,044
Non-controlling interests	(3,720)	(3,213)	(3,720)	(3,213)
	(20,928)	13,831	(20,928)	13,831
Weighted average number of ordinary shares ('000)	1,157,772	1,157,772	1,157,772	1,157,772
Diluted/Basic (loss)/earnings per share (sen)	(1.38)	1.19	(1.38)	1.19

(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 31 March 2023

	(Unaudited) 31-Mar-23 RM'000	(Audited) 31-Dec-22 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,008,646	1,026,318
Right-of-use assets	35,100	35,908
Deposits	11,087	11,087
Goodwill	424,282	424,282
Deferred tax assets	8,705	7,240
TOTAL NON-CURRENT ASSETS	1,487,820	1,504,835
CURRENT ASSETS		
Inventories	12,032	7,545
Contract assets	185,574	257,512
Trade and other receivables	80,015	124,965
Other investments	137,115	56,260
Deposits and prepayments	8,063	7,823
Current tax assets	5,744	6,273
Other financial assets	84,039	83,272
Cash and cash equivalents	277,782	313,280
TOTAL CURRENT ASSETS	790,364	856,930
TOTAL ASSETS	2,278,184	2,361,765
EQUITY AND LIABILITIES		
EQUITY		
Share capital	891,288	891,288
Reserves	519,889	554,678
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,411,177	1,445,966
Non-controlling interests	200,923	204,429
TOTAL EQUITY	1,612,100	1,650,395
NON-CURRENT LIABILITIES		
Loans and borrowings	258,008	260,489
Lease liabilities	4,474	5,085
Deferred tax liabilities	69,084	72,327
TOTAL NON-CURRENT LIABILITIES	331,566	337,901
CURRENT LIABILITIES		
Loans and borrowings	161,188	142,769
Lease liabilities	2,487	2,567
Trade and other payables	151,673	195,506
Current tax liabilities	19,170	32,627
TOTAL CURRENT LIABILITIES	334,518	373,469
TOTAL LIABILITIES	666,084	711,370
TOTAL EQUITY AND LIABILITIES	2,278,184	2,361,765
Net assets per share (sen)	122	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).



**Condensed Consolidated Statement of Changes in Equity
For the First Quarter ended 31 March 2023**

	Attributable to the Owners of the Company			Total	Non-controlling interests	Total Equity
	Non-Distributable		Distributable			
	Share Capital	Other Reserves	Retained Earnings			
	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



Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the First Quarter ended 31 March 2023

	Attributable to the Owners of the Company			Total	Non-controlling interests	Total Equity
	Non-Distributable	Distributable	Total			
	Share Capital	Other Reserves				
	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
Loss for the period	-	-	(15,945)	(15,945)	(3,000)	(18,945)
Foreign currency translation differences for foreign operations	-	(1,263)	-	(1,263)	(720)	(1,983)
Total comprehensive expense for the period	-	(1,263)	(15,945)	(17,208)	(3,720)	(20,928)
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 March 2023 (Unaudited)	891,288	94,579	425,310	1,411,177	200,923	1,612,100

(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 First Quarter ended 31 March 2023

	Current period-to-date (Unaudited) 31-Mar-23 RM'000	Corresponding period- to-date (Unaudited) 31-Mar-22 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(19,164)	18,597
<i>Adjustments for: -</i>		
Depreciation of right-of-use assets	811	985
Depreciation of property, plant and equipment	21,851	21,198
Unrealised foreign exchange gain	(151)	(905)
Finance costs	7,344	4,855
Finance income	(2,744)	(1,821)
Property, plant and equipment written off	12	8
Operating profit before changes in working capital	7,959	42,917
<u>Changes in working capital:</u>		
Inventories	(4,487)	(3,508)
Contract assets	71,938	(9,413)
Trade and other payables	(49,173)	(27,750)
Trade and other receivables, deposits and prepayments	44,710	43,636
Cash generated from operations	70,947	45,882
Net tax paid	(17,418)	(5,790)
Interest paid	(164)	(88)
Interest received	2,744	1,821
Net cash from operating activities	56,109	41,825
Cash flows from investing activities		
Acquisition of property, plant and equipment	(6,166)	(9,068)
Net cash used in investing activities	(6,166)	(9,068)



Condensed Consolidated Statement of Cash Flows (Cont'd)
For the First Quarter ended 31 March 2023

	Current period-to-date (Unaudited) 31-Mar-23 RM'000	Corresponding period- to-date (Unaudited) 31-Mar-22 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(17,367)	-
Repayment of term loans	(4,343)	(5,602)
Repayment of term loan – Islamic	(589)	(589)
Repayment of hire purchase liability	(15)	(14)
Payment of lease liabilities	(694)	(893)
Term loans interest paid	(775)	(794)
Net movement in other financial assets	(767)	(5,673)
Net movement in trade financing	20,000	-
Net cash used in financing activities	(4,550)	(13,565)
Net increase in cash and cash equivalents	45,393	19,192
Effect of exchange rate movements	(36)	(7,602)
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	414,897	388,644
Cash and cash equivalents at the end of the financial period comprised the following: -		
Fixed deposits with maturities exceeding three months	137,115	39,740
Deposits placed with licensed banks with original maturities not exceeding three months	186,039	244,312
Cash on hand and at banks	91,743	104,592
Cash and cash equivalents	414,897	388,644

(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.

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

	Current quarter/period- to-date ended (Unaudited) 31-Mar-23 RM'000	Corresponding quarter/period- to-date ended (Unaudited) 31-Mar-22 RM'000	Preceding quarter ended (Audited) 31-Dec-22 RM'000
(Loss)/Profit for the period is arrived at after (charging)/crediting:			
<u>Other income</u>			
Government subsidy	9	210	-
Gain on disposal of property, plant and equipment	-	-	1,686
Insurance claim received	-	3,605	-
Reversal of impairment loss on property, plant and equipment	-	-	7,263
Unrealised gain on foreign exchange	151	905	4,109
Others	509	342	230
Total other income	669	5,062	13,288
<u>Other expenses</u>			
Realised loss on foreign exchange	(168)	(41)	(479)
Impairment loss on financial assets	-	-	(1,407)
Others	(8)	(8)	-
Total other expenses	(176)	(49)	(1,886)
Grand total of other income, net of other expenses	493	5,013	11,402
Depreciation of property, plant and equipment & right-of-use assets	(22,662)	(22,183)	(38,457)

Save for the above, there were no allowance for write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and material exceptional items that are included in the profit of the Group for the current quarter ended 31 March 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, 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 RM0.02 million whereas other comprehensive expense includes foreign currency translation loss of RM1.98 million.

A7. Material Changes in Estimates

The oil-major client recently 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 has reassessed the value-in-use of the AHTS and other vessels, following which a reversal of impairment loss on property, plant and equipment of RM7.3 million has been made for the quarter and year ended 31 December 2022.

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 766,800 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 1,439,714,842 as at 31 March 2023 and the number of RCPS yet to be converted as at that date is 23,914,357.

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.

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**A10. Segmental Information**

The Group is organised into the following operating segments: -

1. Investment holding
2. Offshore Topside Maintenance Services (“Offshore TMS”)
3. Charter of Marine Vessels (“Marine Charter”)
4. Rental of offshore equipment (“Equipment Rental”)

A10.1 Business Segment

Current quarter/period-to-date ended 31 March 2023 (Unaudited)	Investment Holding	Offshore TMS	Marine Charter	Equipment Rental	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	-	78,420	21,797	-	100,217	12,204	112,421
Inter-segment revenue	33,786	-	12,204	2,753	48,743	(48,743)	-
Total revenue	33,786	78,420	34,001	2,753	148,960	(36,539)	112,421
Results							
Segment results	32,883	7,089	(21,938)	(725)	17,309	(31,873)	(14,564)
Finance costs							
Finance costs	(6,406)	(141)	(793)	(4)	(7,344)	-	(7,344)
Inter-segment finance costs	(6,283)	-	(415)	-	(6,698)	6,698	-
Total finance costs	(12,689)	(141)	(1,208)	(4)	(14,042)	6,698	(7,344)
Finance income							
Finance income	482	1,758	365	139	2,744	-	2,744
Inter-segment finance income	-	6,698	-	-	6,698	(6,698)	-
Total finance income	482	8,456	365	139	9,442	(6,698)	2,744
Profit/(Loss) before tax	20,676	15,404	(22,781)	(590)	12,709	(31,873)	(19,164)
Tax expense							219
Loss after tax							(18,945)

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

Corresponding quarter/period-to-date ended 31 March 2022 (Unaudited)	Investment Holding	Offshore TMS	Marine Charter	Equipment Rental	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	-	133,638	19,917	-	153,555	6,581	160,136
Inter-segment revenue	1,050	-	17,969	3,429	22,448	(22,448)	-
Total revenue	1,050	133,638	37,886	3,429	176,003	(15,867)	160,136
Results							
Segment results	24	37,474	(18,776)	(16)	18,706	2,925	21,631
Finance costs							
Finance costs	(5,241)	804	(415)	(3)	(4,855)	-	(4,855)
Inter-segment finance costs	(5,612)	-	(1,479)	-	(7,091)	7,091	-
Total finance costs	(10,853)	804	(1,894)	(3)	(11,946)	7,091	(4,855)
Finance income							
Finance income	329	1,311	84	97	1,821	-	1,821
Inter-segment finance income	-	7,091	-	-	7,091	(7,091)	-
Total finance income	329	8,402	84	97	8,912	(7,091)	1,821
(Loss)/Profit before tax	(10,500)	46,680	(20,586)	78	15,672	2,925	18,597
Tax expense							(9,917)
Profit after tax							8,680

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

As at 31 March 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	1,139,467	1,346,506	1,101,388	75,476	3,662,837	(1,399,102)	2,263,735
Deferred tax assets	-	-	8,705	-	8,705	-	8,705
Current tax assets	-	-	5,272	472	5,744	-	5,744
Total assets	1,139,467	1,346,506	1,115,365	75,948	3,677,286	(1,399,102)	2,278,184
Segment liabilities	941,927	201,871	233,193	3,215	1,380,206	(802,376)	577,830
Deferred tax liabilities	-	450	48,730	4,468	53,648	15,436	69,084
Current tax liabilities	291	18,879	-	-	19,170	-	19,170
Total liabilities	942,218	221,200	281,923	7,683	1,453,024	(786,940)	666,084

As at 31 March 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	1,077,826	1,298,214	1,109,507	74,816	3,560,363	(1,300,783)	2,259,580
Deferred tax assets	-	-	8,153	-	8,153	-	8,153
Current tax assets	40	-	5,394	784	6,218	-	6,218
Total assets	1,077,866	1,298,214	1,123,054	75,600	3,574,734	(1,300,783)	2,273,951
Segment liabilities	951,982	184,804	303,531	5,248	1,445,565	(762,630)	682,935
Deferred tax liabilities	-	737	52,752	4,800	58,289	16,285	74,574
Current tax liabilities	-	7,896	-	-	7,896	-	7,896
Total liabilities	951,982	193,437	356,283	10,048	1,511,750	(746,345)	765,405



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)	Corresponding quarter ended (Unaudited)
	31-Mar-23	31-Mar-22
	RM'000	RM'000
Type of contacts		
Revenue from contracts with customers		
Topside maintenance services		
Unit rate	46,549	43,635
Lump sum	28,608	85,125
Reimbursable	15,467	11,459
Catering services	1,703	110
	92,327	140,329
Other revenue		
Marine offshore support services		
Chartering of vessels	20,094	19,807
	112,421	160,136
Timing and recognition		
Services transferred over time		
Unit rate	46,549	43,635
Lump sum	28,608	85,125
Services transferred at a point in time		
Reimbursable	15,467	11,459
Catering services	1,703	110
	92,327	140,329

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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 period 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 31 March 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 31 March 2023. All major PPE as at 31 March 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 31 March 2023 and 31 December 2022.

A14. Capital Commitments

The Group’s capital commitments as at 31 March 2023 are as follows: -

	RM’000
Property, plant and equipment	
Approved and contracted for	685
	685

A15. Material Events Subsequent to the Reporting Period

There were no material events subsequent to the current financial quarter ended 31 March 2023 up to the date of this report which is likely to substantially affect the financial results of the Group.

A16. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 March 2023.

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A17. Contingent Liabilities

- a) 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.

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, 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.

- b) Additionally, there is contingent liability arising from the recently concluded material litigation case involving the subsidiary of the Group as detailed in Note B10.

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**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 3 months ended 31 March 2023 RM'000	Unsettled balance as at 31 March 2023 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	153	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	9	-
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	186	-
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Rental of office in Petaling Jaya	199	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	68	-
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	24	-
Clear Water Services Sdn Bhd	General trading specialising in oil and gas sector	7,310	5,783
		<u>7,949</u>	<u>5,783</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 Group's Financial Performance****Financial review for current quarter and financial period to date**

	Current quarter ended (Unaudited) 31-Mar-23 RM'000	Corresponding quarter ended (Unaudited) 31-Mar-22 RM'000	Variance	
			RM'000	%
Revenue	112,421	160,136	(47,715)	(30)
Gross profit	10,059	42,280	(32,221)	(76)
(Loss)/Profit before interest and tax	(14,564)	21,631	(36,195)	(167)
(Loss)/Profit before tax	(19,164)	18,597	(37,761)	(203)
(Loss)/Profit after tax	(18,945)	8,680	(27,625)	(318)
(Loss)/Profit attributable to owners of the Company	(15,945)	13,762	(29,707)	(216)

Comparatively, the Group recorded revenue of RM112.4 million for the current quarter ended 31 March 2023, which was 30% lower than the revenue of RM160.1 million in the previous corresponding quarter. In current quarter, the Group also recorded a loss before tax of RM19.2 million as compared to a profit before tax of RM18.6 million in the corresponding quarter ended 31 March 2022.

The decrease in revenue in the current quarter is primarily driven by lower work orders/contracts being awarded from oil major in the first quarter of 2023, which are typically affected by the monsoon weather. Although revenue reduced by 30%, gross profit has seen a larger reduction of approximately 76% as result of higher operating expenditure impacted by inflation, pre-mobilization cost and some vessel maintenance incurred.

In addition, the Group recorded a loss before tax during current quarter as a result of net realised/unrealised loss in foreign exchange of RM0.02 million as well as higher depreciation charge by RM0.5 million as compared to insurance claim received of RM3.6 million as well as net realised/unrealised gain in foreign exchange of RM0.9 million in corresponding quarter.

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 31 March 2023 and the date of this report.

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**B2. Financial review for current quarter compared with immediate preceding quarter**

	Current quarter ended (Unaudited) 31-Mar-23 RM'000	Preceding quarter ended (Audited) 31-Dec-2022 # RM'000	Variance	
			RM'000	%
Revenue	112,421	222,297	(109,876)	(49)
Gross profit	10,059	66,887	(56,828)	(85)
(Loss)/Profit before interest and tax	(14,564)	35,686	(50,250)	(141)
(Loss)/Profit before tax	(19,164)	30,372	(49,536)	(163)
(Loss)/Profit after tax	(18,945)	19,965	(38,910)	(195)
(Loss)/Profit attributable to owners of the Company	(15,945)	12,519	(28,464)	(227)

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

The Group recorded revenue of RM112.4 million during the current quarter, which was 49% lower as compared to the preceding quarter's revenue of RM222.3 million, as the current quarter is typically the weakest quarter. In the current quarter, the Group made a loss before tax of RM19.2 million as compared to profit before tax of RM30.4 million in the preceding quarter ended 31 December 2022.

The decrease in revenue in the current quarter is mainly due to lower vessel utilisation and lower work orders received and performed under topside maintenance contracts, which are typically affected by the monsoon season. Vessel utilisation rate in the current quarter is 26% as compared to 54% in the fourth quarter of 2022.

In addition, the loss before tax recorded in the current quarter has taken into account net realised/unrealised loss on foreign exchange of RM0.02 million as well as higher depreciation charge by RM0.5 million, as compared to a reversal of impairment loss on property, plant and equipment of RM7.3 million, gain on disposal of property, plant and equipment of RM1.7 million, net realised/unrealised gain on foreign exchange of RM3.6 million negated by impairment loss on financial assets of RM1.4 million in the preceding quarter.

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**B3. Prospects**

We are starting to mobilize our assets and resources to offshore execution starting March 2023 as the monsoon season ended. In the next quarter, we continue to work closely with our clients on their planning execution and potential new projects in the space of maintenance, construction and modification (MCM) and hook-up and commissioning (HUC). As at March 2023, our outstanding estimated call-out contracts is at about RM1.30 billion. We are encouraged by the positive development in the industry.

B4. Profit Forecast and Profit Guarantee

There was no profit guarantee issued by the Group.

B5. Tax Expense

	Current quarter/period- to-date ended (Unaudited) 31-Mar-23 RM'000	Corresponding quarter/period-to-date ended (Unaudited) 31-Mar-22 RM'000
Income tax expense		
- Current year	4,489	11,664
Deferred tax expense		
- Reversal of temporary differences	(4,708)	(1,747)
	(219)	9,917

For the current quarter ended 31 March 2023, the Group has recorded deferred tax income of RM0.2 million mainly due to an increase in deferred tax arising from tax impact of higher business tax losses from the subsidiaries of the Group.

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 18 May 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 31 March 2023 were as follows:

	As at 31-Mar-23 (Unaudited)		As at 31-Dec-22 (Audited)	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	122,850	-	122,850
Revolving credit	-	20,000	-	-
Term loans	3,609	15,920	3,964	17,501
Islamic facility	-	2,357	-	2,357
Hire purchase liability	-	61	-	61
	3,609	161,188	3,964	142,769
Non-current				
Secured				
Sukuk	-	228,800	-	227,847
Term loans	5,230	23,070	5,866	25,899
Islamic facility	-	5,963	-	6,551
Hire purchase liability	-	175	-	192
	5,230	258,008	5,866	260,489
Total	8,839	419,196	9,830	403,258

Exchange rate (USD: MYR):

USD1: MYR4.411

USD1: MYR4.415

Source of reference: Bank Negara Malaysia Website

As at 31 March 2023, the total outstanding borrowings have increased to RM419.2 million as compared to RM403.3 million as at 31 December 2022 mainly due to drawdown of revolving credit of RM20.0 million.

The Group's borrowings are interest-bearing and denominated in both Ringgit Malaysia ("MYR") and United States Dollar ("USD"), as set out in the tables above. The Sukuk, USD denominated term loans and revolving credit are based on floating interest rate whereas Islamic facility term loan and hire purchase liability are based on fixed interest rate.

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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 to the Plaintiffs.

It should be noted that the Appellants may seek further indemnification of legal fees that they have incurred for the Court of Appeal and Federal Court proceedings, the quantum of which cannot ascertained at the moment.

In view of Federal Court decision, PPB’s solicitor has filed notice of discontinuance and PPB will no longer proceed with bankruptcy proceedings against the Plaintiffs.

B11. Dividend

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.

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**B12. (Loss)/Earnings Per Share****Diluted/Basic (loss)/earnings per share**

	Current Quarter Ended 31-Mar-23	Corresponding Quarter Ended 31-Mar-22	Cumulative Period-To-Date Ended 31-Mar-23	Corresponding Period-To-Date Ended 31-Mar-22
(Loss)/Profit for the period attributable to Owners of the Company (RM'000)	(15,945)	13,762	(15,945)	13,762
Weighted average number of ordinary shares ('000)	1,157,772	1,157,772	1,157,772	1,157,772
Diluted/Basic (loss)/earnings per share (sen)	(1.38)	1.19	(1.38)	1.19

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 May 2023.