



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the First Quarter ended 31 March 2024**

	Current Quarter Ended 31-Mar-24 (Unaudited) RM'000	Corresponding Quarter Ended 31-Mar-23 (Unaudited) RM'000	Cumulative Period-To-Date 31-Mar-24 (Unaudited) RM'000	Corresponding Period-To-Date 31-Mar-23 (Unaudited) RM'000
Revenue	247,121	112,421	247,121	112,421
Cost of services	(162,003)	(102,362)	(162,003)	(102,362)
Gross profit	85,118	10,059	85,118	10,059
Other income	339	669	339	669
Administrative expenses	(29,944)	(25,116)	(29,944)	(25,116)
Other expenses	(11,058)	(176)	(11,058)	(176)
Results from operating activities	44,455	(14,564)	44,455	(14,564)
Finance costs	(3,067)	(7,344)	(3,067)	(7,344)
Finance income	3,469	2,744	3,469	2,744
Net finance income/(costs)	402	(4,600)	402	(4,600)
Profit/(Loss) before tax	44,857	(19,164)	44,857	(19,164)
Tax expense	(14,741)	219	(14,741)	219
Profit/(Loss) for the period	30,116	(18,945)	30,116	(18,945)
Other comprehensive income/(expense) net of tax				
Foreign currency translation	29,261	(1,983)	29,261	(1,983)
Total comprehensive income/(expense) for the period	59,377	(20,928)	59,377	(20,928)
Profit/(Loss) for the period attributable to:				
Owners of the Company	27,906	(15,945)	27,906	(15,945)
Non-controlling interests	2,210	(3,000)	2,210	(3,000)
	30,116	(18,945)	30,116	(18,945)
Total comprehensive income/(expense) for the period attributable to:				
Owners of the Company	46,516	(17,208)	46,516	(17,208)
Non-controlling interests	12,861	(3,720)	12,861	(3,720)
	59,377	(20,928)	59,377	(20,928)
Weighted average number of ordinary shares ('000)	1,157,772	1,157,772	1,157,772	1,157,772
Basic/Diluted earnings/(loss) per share (sen)	2.41	(1.38)	2.41	(1.38)

(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 2023 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Financial Position**
As at 31 March 2024

	(Unaudited) 31-Mar-24 RM'000	(Audited) 31-Dec-23 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,042,459	1,040,871
Right-of-use assets	38,004	36,328
Goodwill	418,261	418,261
Deferred tax assets	8,648	6,246
TOTAL NON-CURRENT ASSETS	1,507,372	1,501,706
CURRENT ASSETS		
Inventories	6,121	7,689
Contract assets	233,225	269,848
Trade and other receivables	217,334	172,508
Deposits and prepayments	12,370	9,599
Current tax assets	3,177	3,711
Other investments	224,558	223,217
Other financial assets	46,747	45,454
Cash and cash equivalents	263,792	271,864
	1,007,324	1,003,890
Assets classified as held for sale	3,050	3,201
TOTAL CURRENT ASSETS	1,010,374	1,007,091
TOTAL ASSETS	2,517,746	2,508,797
EQUITY AND LIABILITIES		
EQUITY		
Share capital	891,288	891,288
Reserves	772,929	761,250
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,664,217	1,652,538
Non-controlling interests	247,911	234,946
TOTAL EQUITY	1,912,128	1,887,484
NON-CURRENT LIABILITIES		
Loans and borrowings	88,117	117,764
Lease liabilities	7,845	5,619
Deferred tax liabilities	71,490	73,281
TOTAL NON-CURRENT LIABILITIES	167,452	196,664

**Condensed Consolidated Statement of Financial Position (Cont'd)**
As at 31 March 2024

	(Unaudited) 31-Mar-24 RM'000	(Audited) 31-Dec-23 RM'000
CURRENT LIABILITIES		
Loans and borrowings	164,553	120,692
Lease liabilities	2,323	2,787
Trade and other payables	227,467	258,265
Current tax liabilities	43,823	42,905
TOTAL CURRENT LIABILITIES	438,166	424,649
TOTAL LIABILITIES	605,618	621,313
TOTAL EQUITY AND LIABILITIES	2,517,746	2,508,797
Net assets per share (sen)	144	143

(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 2023 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity
For the First Quarter ended 31 March 2024**

	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 2023	891,288	95,842	458,836	1,445,966	204,429	1,650,395
Profit for the year	-	-	218,980	218,980	16,198	235,178
Foreign currency translation differences for foreign operations	-	23,309	-	23,309	13,335	36,644
Total comprehensive income for the year	-	23,309	218,980	242,289	29,533	271,822
Changes in ownership interests in a subsidiary	-	(168)	(816)	(984)	984	-
Dividends to owners of the Company	-	-	(34,733)	(34,733)	-	(34,733)
Total transactions with owners of the Company	-	(168)	(35,549)	(35,717)	984	(34,733)
At 31 December 2023 (Audited)	891,288	118,983	642,267	1,652,538	234,946	1,887,484



Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the First Quarter ended 31 March 2024

	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 2024	891,288	118,983	642,267	1,652,538	234,946	1,887,484
Profit for the period	-	-	27,906	27,906	2,210	30,116
Foreign currency translation differences for foreign operations	-	18,610	-	18,610	10,651	29,261
Total comprehensive income for the period	-	18,610	27,906	46,516	12,861	59,377
Changes in ownership interests in a subsidiary	-	-	(104)	(104)	104	-
Dividends to owners of the Company	-	-	(34,733)	(34,733)	-	(34,733)
Total transactions with owners of the Company	-	-	(34,837)	(34,837)	104	(34,733)
At 31 March 2024 (Unaudited)	891,288	137,593	635,336	1,664,217	247,911	1,912,128

(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 2023 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows
For the First Quarter ended 31 March 2024**

	Current period-to-date (Unaudited) 31-Mar-24 RM'000	Corresponding period- to-date (Unaudited) 31-Mar-23 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	44,857	(19,164)
<i>Adjustments for: -</i>		
Depreciation of right-of-use assets	990	811
Depreciation of property, plant and equipment	24,767	21,851
Unrealised foreign exchange loss/(gain)	10,440	(151)
Finance costs	3,067	7,344
Finance income	(3,469)	(2,744)
Gain on disposal of property, plant and equipment	(89)	-
Gain on lease modification	(54)	-
Property, plant and equipment written off	75	12
Operating profit before changes in working capital	80,584	7,959
<u>Changes in working capital:</u>		
Inventories	1,568	(4,487)
Contract assets	36,623	71,938
Trade and other payables	(43,490)	(49,173)
Trade and other receivables, deposits and prepayments	(47,478)	44,710
Cash generated from operations	27,807	70,947
Net tax paid	(17,495)	(17,418)
Interest paid	(156)	(164)
Interest received	3,469	2,744
Net cash from operating activities	13,625	56,109
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,057)	(6,166)
Net movement in other financial assets	(1,293)	(767)
Net movement in other investments	(1,341)	(80,855)
Net movement in trade financing	-	20,000
Proceeds from disposal of property, plant and equipment	89	-
Net cash used in investing activities	(9,602)	(67,788)

**Condensed Consolidated Statement of Cash Flows (Cont'd)**
For the First Quarter ended 31 March 2024

	Current period-to-date (Unaudited) 31-Mar-24 RM'000	Corresponding period- to-date (Audited) 31-Mar-23 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(34,733)	(17,367)
Repayment of term loans	(30,838)	(4,343)
Repayment of term loan – Islamic	-	(589)
Repayment of hire purchase liability	(16)	(15)
Payment of lease liabilities	(851)	(694)
Term loans interest paid	(2,992)	(775)
Net cash used in financing activities	(69,430)	(23,783)
Net decrease in cash and cash equivalents	(65,407)	(35,462)
Effect of exchange rate movements	13,333	(36)
Cash and cash equivalents at the beginning of the financial period	271,864	313,280
Cash and cash equivalents at the end of the financial period	219,790	277,782
Cash and cash equivalents at the end of the financial period comprised the following: -		
Deposits placed with licensed banks with original maturities not exceeding three months	99,961	186,039
Cash on hand and at banks	163,831	91,743
Less: Overdrafts	(44,002)	-
Cash and cash equivalents	219,790	277,782

(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 2023 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 2023. 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 2023.

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 2023, except for the adoption of the following Accounting Standards, Amendments and Interpretations:

MFRS / Amendments / Interpretation	Effective date
Amendments to MFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments 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 107, <i>Statement of Cash Flows</i> and MFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2024

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

- From the annual period beginning on 1 January 2024 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2024.



A2. Changes in Accounting Policies (Cont'd)

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

MFRS / Amendments / Interpretation	Effective date
Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

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

- From the annual period beginning on 1 January 2025 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the above accounting standards, interpretations or amendments 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.

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

	Current quarter/period- to-date ended (Unaudited) 31-Mar-24 RM'000	Corresponding quarter/period- to-date ended (Unaudited) 31-Mar-23 RM'000	Preceding quarter ended (Audited) 31-Dec-23 RM'000
Profit/(Loss) for the period is arrived at after crediting/(charging):			
<u>Other income</u>			
Government subsidy	-	9	166
Gain on disposal of property, plant and equipment	89	-	-
Gain on lease modification	54	-	-
Insurance claim received	-	-	5,042
Reversal of impairment loss on property, plant and equipment	-	-	41,731
Realised gain on foreign exchange	-	-	608
Unrealised gain on foreign exchange	-	151	6,969
Others	196	509	879
Total other income	339	669	55,395
<u>Other expenses</u>			
Unrealised loss on foreign exchange	(10,440)	-	-
Realised loss on foreign exchange	(340)	(168)	-
Impairment loss on goodwill	-	-	(6,021)
Loss on disposal of property, plant and equipment	-	-	(23)
Vessel repair cost	-	-	(5,499)
Penalty	(11)	-	-
Others	(267)	(8)	(1,092)
Total other expenses	(11,058)	(176)	(12,635)
Grand total of other income, net of other expenses	(10,719)	493	42,760
Depreciation of property, plant and equipment & right-of-use assets	(25,757)	(22,662)	(12,394)

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 2024.

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 RM10.8 million whereas other comprehensive income includes foreign currency translation gain of RM29.3 million.

A7. Material Changes in Estimates

In 2022, an oil-major client agreed on a Revision of the Vessel Age Limit of Anchor Handling Tug Supply (“AHTS”) vessels from 15 years to 20 years subject to the fulfillment of the Conditional Assessment Program (“CAP”) and Overall Offshore Vessel Management Self-Assessment (“OVMSA”).

Following the revision, the subsidiary of the Group had revised the useful lives of AHTS to 20 years and this had resulted in a reduction in the depreciation charges for the vessels in the financial year ended 31 December 2023.

With the above revision and the improving prospects of the oil market, the subsidiaries of the Group re-assessed the value-in-use, and where appropriate the fair value less cost to sell, of the AHTS and other vessels, following which a net reversal of provision for impairment loss on property, plant and equipment of RM41.7 million was made for the quarter and year ended 31 December 2023. There is no such reversal of provision for impairment loss nor additional provision for impairment loss in the current quarter.

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 344,770 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 1,442,176,080 as at 31 March 2024 and the number of RCPS yet to be converted as at that date is 21,453,119.

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 2023 was declared on 23 November 2023 and paid on 20 December 2023.

The second interim single-tier exempt dividend of RM0.03 per ordinary share totalling RM34,733,152 in respect of the financial year ended 31 December 2023 was declared on 22 February 2024 and paid on 22 March 2024.

**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 2024 (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	-	139,028	103,881	-	242,909	4,212	247,121
Inter-segment revenue	57,965	-	5,015	4,184	67,164	(67,164)	-
Total revenue	57,965	139,028	108,896	4,184	310,073	(62,952)	247,121

Results

Segment results	55,502	39,859	2,193	792	98,346	(53,891)	44,455
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Finance costs	(2,390)	(122)	(547)	(8)	(3,067)	-	(3,067)
Inter-segment finance costs	(6,353)	-	(1,248)	-	(7,601)	7,601	-
Total finance costs	(8,743)	(122)	(1,795)	(8)	(10,668)	7,601	(3,067)

Finance income	45	2,350	825	249	3,469	-	3,469
Inter-segment finance income	-	7,601	-	-	7,601	(7,601)	-
Total finance income	45	9,951	825	249	11,070	(7,601)	3,469
Profit before tax	46,804	49,688	1,223	1,033	98,748	(53,891)	44,857

Tax expense							(14,741)
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Profit after tax							30,116
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**A10. Segmental Information (Cont'd)****A10.1 Business Segment (Cont'd)**

Corresponding 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	(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	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)****A10.2 Segment Assets and Liabilities**

As at 31 March 2024 (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	1,156,799	1,450,226	1,235,209	80,268	3,922,502	(1,416,581)	2,505,921
Deferred tax assets	-	-	8,648	-	8,648	-	8,648
Current tax assets	-	-	3,177	-	3,177	-	3,177
Total assets	1,156,799	1,450,226	1,247,034	80,268	3,934,327	(1,416,581)	2,517,746
Segment liabilities	790,199	238,693	219,736	3,983	1,252,611	(762,306)	490,305
Deferred tax liabilities	-	330	50,693	3,399	54,422	17,068	71,490
Current tax liabilities	2,588	35,034	5,927	274	43,823	-	43,823
Total liabilities	792,787	274,057	276,356	7,656	1,350,856	(745,238)	605,618

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

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

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers and vessel charter income.

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

	Current quarter ended (Unaudited) 31-Mar-24 RM'000	Corresponding quarter ended (Unaudited) 31-Mar-23 RM'000
Type of contacts		
Revenue from contracts with customers		
Topside maintenance services		
Unit rate	75,120	46,549
Lump sum	64,490	28,608
Reimbursable	3,630	15,467
Catering services	3,950	1,703
	147,190	92,327
Other revenue		
Marine offshore support services		
Chartering of vessels	99,931	20,094
	247,121	112,421
Timing and recognition		
Services transferred over time		
Unit rate	75,120	46,549
Lump sum	64,490	28,608
Catering services	3,950	1,703
Services transferred at a point in time		
Reimbursable	3,630	15,467
	147,190	92,327

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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 over 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 2023 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 2024, 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.

The Group has evaluated whether the property, plant and equipment, i.e. marine vessels including dry docking used in the operations are stated in excess of their recoverable amounts. 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, in determining the recoverable amounts of the property, plant and equipment.

The Group’s accumulated impairment loss for PPE remained at RM52.2 million as at 31 March 2024 and 31 December 2023.

A14. Capital Commitments

The Group’s capital commitments as at 31 March 2024 are as follows: -

RM’000

Property, plant and equipment

Approved and contracted for

192

A15. Material Events Subsequent to the Reporting Period

There were no material events subsequent to the current financial quarter ended 31 March 2024 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 2024.

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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 the EPCC Contractor concerned. 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 increase the premiums at the next renewal, the quantum of which currently cannot be ascertained.

- b) In the fourth quarter of 2023, there was an incident involving subsidiary of the Group’s offshore support vessels chartered to a client while being used by the client. The mutual insurance association providing indemnity cover has been notified and the investigation together with the client is still ongoing.

As this incident is still under investigation, the cost of the alleged damage cannot be ascertained at this juncture.

All the Group’s legal rights are reserved.

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.

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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 2024 RM'000	Unsettled balance as at 31 March 2024 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	203	-
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	209	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	90	-
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	2,420	2,420
		<u>3,141</u>	<u>2,420</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 Preceding Year Corresponding Quarter**

	Current quarter ended 31-Mar-24 RM'000	Corresponding quarter ended 31-Mar-23 RM'000	Variance	
			RM'000	%
Revenue	247,121	112,421	134,700	120
Gross profit	85,118	10,059	75,059	746
Profit/(Loss) before interest and tax	44,455	(14,564)	59,019	405
Profit/(Loss) before tax	44,857	(19,164)	64,021	334
Profit/(Loss) after tax	30,116	(18,945)	49,061	259
Profit/(Loss) attributable to owners of Company	27,906	(15,945)	43,851	275

For the current quarter ended 31 March 2024, the Group has recorded a revenue of RM247.1 million, which was 120% higher than the revenue of RM112.4 million in the previous corresponding quarter. The Group also recorded a profit before tax of RM44.9 million as compared to a loss before tax of RM19.2 million in the corresponding quarter ended 31 March 2023.

The higher revenue in the current quarter is mainly attributable to higher vessels utilisation rate of 48% as compared to 26% in the corresponding quarter and better daily charter rates ("DCR") as the demand for offshore support vessels required for offshore production operations and maintenance activities, continues in 2024. Besides that, the increase in the chartering of third-party vessels and more work order/contracts being awarded from oil majors received under topside maintenance contracts also contributed to the higher revenue generated.

The higher utilisation rate and better DCR mentioned above also contributed to a higher profit before tax for the current quarter. The profit before tax would have been higher if not for the net realised/unrealised foreign exchange loss of RM10.8 million as compared to a net realised/unrealised foreign exchange loss of RM0.02 million in the corresponding quarter of 2023.

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 2024 and the date of this report.

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

	Current quarter ended 31-Mar-24 RM'000	Preceding quarter ended 31-Dec-2023 # RM'000	Variance RM'000	%
Revenue	247,121	351,075	(103,954)	(30)
Gross profit	85,118	162,153	(77,035)	(48)
Profit before interest and tax	44,455	145,680	(101,225)	(69)
Profit before tax	44,857	139,866	(95,009)	(68)
Profit after tax	30,116	101,628	(71,512)	(70)
Profit attributable to owners of the Company	27,906	93,851	(65,945)	(70)

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

The Group recorded a lower revenue of RM247.1 million and profit before tax of RM44.9 million in the current quarter, as compared to a revenue of RM351.1 million and a profit before tax of RM139.9 million in the preceding quarter of 2023.

The lower in revenue in the current quarter is mainly due to lower vessels utilisation rates and lower work orders received and performed under topside maintenance contracts. Vessels utilisation rates in the current quarter is 48% as compared to 55% in the fourth quarter of 2023.

The profit before tax recorded in the current quarter has taken into account net realised/unrealised loss on foreign exchange of RM10.8 million as well as higher depreciation charge by RM13.4 million, as compared to a reversal of impairment loss on property, plant and equipment of RM41.7 million, insurance claim of RM5.0 million and net realised/unrealised gain on foreign exchange of RM7.6 million negated by impairment loss on goodwill of RM6.0 and vessel repair cost of RM5.5 million in the preceding quarter.

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**B3. Prospects**

We are expecting more robust offshore activity in the 2nd Quarter 2024 continuing from 1st Quarter 2024. The momentum of these activities is expected to maintain for the rest of the year especially for maintenance, construction and modification (“MCM”) and hook-up and commissioning (“HUC”) projects.

As at March 2024, our outstanding estimated call-out contracts is at about RM1.71 billion. Nevertheless, we will remain prudent in managing our business affairs while continuing to deliver outstanding performance.

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-24 RM'000	Corresponding quarter/period-to-date ended (Unaudited) 31-Mar-23 RM'000
Income tax expense		
- Current year	18,942	4,489
Deferred tax expense		
- Reversal of temporary differences	(4,201)	(4,708)
	14,741	(219)

The effective tax rate for the current quarter ended 31 March 2024 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 May 2024, 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 were as follows:

	As at 31-Mar-24 (Unaudited)		As at 31-Dec-23 (Audited)	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Term loan	-	110,249	-	110,248
Term loans	2,164	10,238	2,259	10,381
Overdrafts	-	44,002	-	-
Hire purchase liability	-	64	-	63
	<u>2,164</u>	<u>164,553</u>	<u>2,259</u>	<u>120,692</u>
Non-current				
Secured				
Term loan	-	73,499	-	101,061
Term loans	3,066	14,506	3,607	16,574
Hire purchase liability	-	112	-	129
	<u>3,066</u>	<u>88,117</u>	<u>3,607</u>	<u>117,764</u>
Total	5,230	252,670	5,866	238,456
Exchange rate (USD: MYR):	USD1: MYR4.731		USD1: MYR4.595	

Source of reference: Bank Negara Malaysia Website

As at 31 March 2024, the total outstanding borrowings have increased to RM252.7 million as compared to RM238.5 million as at 31 December 2023 mainly due to overdrafts of RM44.0 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. MYR denominated term loan, USD denominated term loans and overdrafts are based on floating interest rate whereas hire purchase liability is based on fixed interest rate.

B10. Material Litigations

There were no material litigations involving the Group since the financial year ended 31 December 2023, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

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**B11. Dividends**

Dividends recognised by the Group:

	Sen per share	Total amount RM	Date of payment
<u>2024</u>			
In respect of financial year ended 31 December 2023:			
Second tax exempt dividend	3.0	<u>34,733,152</u>	22 March 2024
<u>2023</u>			
In respect of financial year ended 31 December 2022:			
Second tax exempt dividend	1.5	17,366,576	17 March 2023
In respect of financial year ended 31 December 2023:			
First tax exempt dividend	1.5	<u>17,366,576</u>	20 December 2023
		<u>34,733,152</u>	

B12. Earnings/(Loss) Per Share

Basic/Diluted earnings/(loss) per share

	Current Quarter Ended 31-Mar-24	Corresponding Quarter Ended 31-Mar-23	Cumulative Period-To-Date 31-Mar-24	Corresponding Period-To-Date 31-Mar-23
Profit/(Loss) for the period attributable to Owners of the Company (RM'000)	27,906	(15,945)	27,906	(15,945)
Weighted average number of ordinary shares ('000)	1,157,772	1,157,772	1,157,772	1,157,772
Basic/Diluted earnings/(loss) per share (sen)	2.41	(1.38)	2.41	(1.38)

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 2024.