NOTES TO THE ACCOUNTS

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134

1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2018. 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 Perisai Petroleum Teknologi Bhd ("Perisai" or the "Company") and its subsidiaries ("Group") since the financial year ended 30 June 2018.

2. Changes In Accounting Policies

a) The Group adopted the following Amendments/Improvements to MFRS and IC Interpretation effective as of 1 January 2018:-

MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 128	Investments in Associates and Joint ventures
MFRS 140	Investment Property
IC Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments/improvements to MFRS and IC Interpretation does not have any material impact to the Group except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Based on the analysis of the Group's financial assets and liabilities as at 30 June 2018 on the basis of facts and circumstances that exist at that date, the Group do not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements on MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, and the related interpretations.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The adoption of the MFRS 15 is not expected to have a significant impact on financial statements of the Group except for new disclosures in the financial statements.

b) At the date of this report, the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued but not yet effective and have not been applied by the Group:

Amendments/Improvement to MFRSs and IC Interpretations effective for financial periods beginning on or after – 1 January 2019

Amendments/Improvements to MFRRS	
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employees Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures
New IC Int	
IC Int 23	Uncertainty over Income Tax Treatments

Amendments/Improvement to MFRSs and Amendments to IC Interpretations effective for financial periods beginning on or after – 1 January 2020

Amendments/Improvements to MFRRS	
MFRS 2	Share-based Payment
MFRS 3	Business Contracts
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 14	Regulatory Deferral Accounts
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in accounting Estimates and Errors
MFRS 134	Interim Financial Reporting
MFRS 137	Provision, Contingent Liabilities and Contingent Assets
MFRS 138	Intangibles Assets
Amendments to IC Int	
IC Int 12	Service Concession Arrangements
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
IC Int 22	Foreign Currency Transactions and Advance Consideration
IC 132	Intangible Assets - Web Site Costs

The Group will adopt the above new MFRS and Amendments/Improvements to MFRSs when it becomes effective in the respective financial periods.

3. Seasonal Or Cyclical Factors

The Group's operations are not materially subject to any seasonal or cyclical factors except for severe weather conditions and significant changes in oil prices.

4. Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current quarter ended 31 March 2019.

5. Changes In Estimates

There were no significant changes in estimates that had a material effect on the results for the financial period ended 31 March 2019.

6. Debts And Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period ended 31 March 2019.

As at 31 March 2019, 400,000 shares were held as treasury shares in accordance with the requirements of section 127 of the Companies Act 2016.

7. Dividends Paid

There were no dividends paid during the financial period ended 31 March 2019.

8. Segmental Information

	Drilling Units		Production Units		Marine Vessels		Others		Elimination		As per Consolidation	
	31.3.19	31.3.18	31.3.19	31.3.18	31.3.19	31.3.18	31.3.19	31.3.18	31.3.19	31.3.18	31.3.19	31.3.18
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Results for the Quarter</u>												
Revenue												
External revenue	**32,218**	28,660	**-**	-	**(5)**	701	**-**	-	**-**	-	**32,213**	29,361
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**1,125**	399	**(1,125)**	(399)	**-**	-
Total segment revenue	**32,218**	28,660	**-**	-	**(5)**	701	**1,125**	399	**(1,125)**	(399)	**32,213**	29,361
Results												
Operating results	**13,616**	12,084	**(1,543)**	(6,233)	**(2,940)**	(1,978)	**(2,541)**	(11,799)	**-**	-	**6,592**	(7,926)
Interest expense	**(8,094)**	(6,723)	**(1,609)**	(1,250)	**(2,065)**	(1,628)	**(10,466)**	(9,349)	**-**	-	**(22,234)**	(18,950)
Interest income	**165**	87	**-**	-	**-**	-	**9**	6	**-**	-	**174**	93
Surplus on liquidation	**-**	-	**-**	-	**-**	-	**2,350**	50	**-**	-	**2,350**	50
Impairment loss on:												
-Plant and equipment	**-**	-	**-**	(208,694)	**-**	-	**-**	-	**-**	-	**-**	(208,694)
-Amount due from joint ventures	**-**	-	**-**	-	**-**	-	**705**	-	**-**	-	**705**	-
-Trade receivables	**-**	-	**-**	-	**6**	(743)	**-**	-	**-**	-	**6**	(743)
-Share of results of associates	**-**	-	**-**	-	**-**	-	**(9)**	18	**-**	-	**(9)**	18
-Share of results of joint ventures	**-**	-	**-**	-	**-**	-	**(12,439)**	(9,957)	**-**	-	**(12,439)**	(9,957)
Segment results	**5,687**	5,448	**(3,152)**	(216,177)	**(4,999)**	(4,349)	**(22,391)**	(31,031)	**-**	-	**(24,855)**	(246,109)
Tax expense											**(194)**	(167)
Loss for financial period											**(25,049)**	(246,276)

8. Segmental Information (continued)

	Drilling Units		Production Units		Marine Vessels		Others		Elimination		As per Consolidation	
	31.3.19	**31.3.18**	**31.3.19**	**31.3.18**	**31.3.19**	**31.3.18**	**31.3.19**	**31.3.18**	**31.3.19**	**31.3.18**	**31.3.19**	**31.3.18**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Results for year-to-date												
Revenue												
External revenue	**95,395**	84,667	**-**	-	**1,638**	12,282	**-**	-	**-**	-	**97,033**	96,949
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**3,514**	2,319	**(3,514)**	(2,319)	**-**	-
Total segment revenue	**95,395**	84,667	**-**	-	**1,638**	12,282	**3,514**	2,319	**(3,514)**	(2,319)	**97,033**	96,949
Results												
Operating results	**36,806**	22,564	**(4,233)**	(20,005)	**(6,280)**	3,219	**3,161**	(16,230)	**-**	-	**29,454**	(10,452)
Interest expense	**(24,050)**	(20,445)	**(4,718)**	(3,416)	**(6,032)**	(4,925)	**(31,033)**	(28,599)	**-**	-	**(65,833)**	(57,385)
Interest income	**483**	218	**-**	-	**-**	-	**25**	18	**-**	-	**508**	236
Surplus on liquidation	**-**	31,639	**-**	-	**-**	-	**2,350**	48,161	**-**	-	**2,350**	79,800
Impairment loss on:												
-Plant and equipment	**-**	-	**-**	(208,694)	**-**	-	**-**	-	**-**	-	**-**	(208,694)
-Amount due from joint ventures	**-**	-	**-**	-	**-**	-	**(661)**	-	**-**	-	**(661)**	-
-Trade receivables	**-**	-	**-**	-	**(1,638)**	(13,040)	**-**	-	**-**	-	**(1,638)**	(13,040)
-Share of results of associates	**-**	-	**-**	-	**-**	-	**81**	222	**-**	-	**81**	222
-Share of results of joint ventures	**-**	-	**-**	-	**-**	-	**(37,527)**	(42,172)	**-**	-	**(37,527)**	(42,172)
Segment results	**13,239**	33,976	**(8,951)**	(232,115)	**(13,950)**	(14,746)	**(63,604)**	(38,600)	**-**	-	**(73,266)**	(251,485)
Tax expense											**(555)**	(428)
Loss for financial period											**(73,821)**	(251,913)

9. Valuation Of Property, Plant and Equipment

The Group did not revalue any plant and equipment during the financial period ended 31 March 2019. As at 31 March 2019, all property, plant and equipment were stated at cost less accumulated depreciation and provision for impairment**.**

10. Subsequent Events

There has been no material event or transaction during the financial period from 31 March 2019 to the date of this announcement, which affects substantially the results of the Group for the financial period ended 31 March 2019.

11. Changes In Composition Of The Group

There were no changes to the composition of the Group during the financial period ended 31 March 2019 save for the winding up of Alpha Perisai Sdn Bhd by the Court as mentioned in Note B8(i) below.

12. Changes In Contingent Liabilities

Save as disclosed below, the Directors are not aware of any material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group during the financial period ended 31 March 2019.

Corporate Guarantee of RM244.9 million issued by the Company for banking facilities granted to its joint ventures.

13. Material Commitments

The Group is not aware of any material commitments incurred or known to be incurred by the Group which upon becoming enforceable may have a material impact on the profit or net asset value of the Group as at 31 March 2019.

14. Significant Related Party Transactions

Save as disclosed below, there were no significant related party transactions during the quarter and financial period ended 31 March 2019.

The recurrent related party transactions with the Group and the Company are as follows:-

	Individual Period		**Cumulative Period**	
	Current Year Quarter 31.3.2019 RM'000	**Preceding Year Corresponding Quarter 31.3.2018 RM'000**	**Current Year To Date 31.3.2019 RM'000**	**Preceding Year Corresponding Period 31.3.2018 RM'000**
<u>Revenue</u>				
Bareboat charter of vessels to Emas Offshore Pte. Ltd.*	-	(65)	-	2,802
Bareboat charter of vessels to Emas Offshore (M) Sdn. Bhd.*	(5)	766	1,638	9,480
<u>Expenses</u>				
Agency fee charged by Larizz Petroleum Services Sdn. Bhd.#	45	45	120	135
Agency fee charged by Larizz Energy Services Sdn. Bhd.#	-	45	75	135
Agency fee charged by Perisai Offshore Sdn. Bhd.#	27	27	73	83

*The transactions above involve Emas Offshore Pte Ltd, and Emas Offshore (M) Sdn Bhd which are indirect wholly-owned subsidiaries of EMAS Offshore Limited ("EMAS Offshore"). EMAS Offshore and HCM Logistics Limited ("HCM") are major shareholders of Perisai. Emas Offshore is a 75.46% subsidiary of Ezra Holding Limited ('Ezra") whereas HCM is a wholly-owned subsidiary of Ezra.

#Agency fees charged by Larizz Petroleum Services Sdn Bhd ("LPSSB"), Larizz Energy Services Sdn Bhd ("LESSB") and Perisai Offshore Sdn Bhd ("POSB") is a recurrent related party transaction as Datuk Zainol Izzet Bin Mohamed Ishak ("Datuk Izzet") is a substantial shareholder of LPSSB, LESSB and POSB. Datuk Izzet holds 60% equity interest in LPSSB, 49% equity interest in LESSB and POSB. He is also a director of Perisai and holds 2.34% equity interest in Perisai.

The resolution for the Proposed Renewal of Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the period from 30 November 2018 to 29 November 2019 was not carried during the Annual General Meeting held on 29 November 2018. The above recurrent related party transactions were recognised only up to 29 November 2018 instead of up to 31 December 2018 based on the previous approved mandate save for agency fee charged by Larizz Petroleum Service Sdn Bhd and Perisai Offshore Sdn Bhd which were recognised up to 29 November 2018 and subsequently a new agency agreement were entered effective from 1 January 2019.

15. Fair Value Measurements

The Group uses the following hierarchy for determining the fair value of the financial instruments carried at fair value:

a. Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
b. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
c. Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR

1. Performance Review

	3 months ended 31 March			9 months ended 31 March		
	31.3.19 RM'000	**31.3.18 RM'000**	**Changes (%)**	**31.3.19 RM'000**	**31.3.18 RM'000**	**Changes (%)**
Revenue	32,213	29,361	10	97,033	96,949	0
Loss before taxation	(24,855)	(246,109)	90	(73,266)	(251,485)	71
Loss after taxation	(25,049)	(246,276)	90	(73,821)	(251,913)	71
Loss attributable to owner of the Company	(23,120)	(244,524)	91	(67,787)	(245,917)	72

<u>Statement of Profit or Loss and Other Comprehensive Income</u>

For the financial period ended 31 March 2019, the Group generated total revenue of RM97.03 million as compared to RM96.95 million generated in the corresponding financial period ended 31 March 2018. This was mainly due higher no of days with full charter rate and higher other rig related income despite the expiry of the charter contract for the eight (8) offshore support vessels in August 2017.

Loss before tax ("LBT") for the financial period ended 31 March 2019 amounted to RM73.27 million, a decrease of RM178.22 million when compared to the LBT amount of RM251.49 million recorded in the corresponding financial period ended 31 March 2018.

The lower LBT recorded was mainly due to:
(i) there being no impairment on plant and equipment in the financial period ended 31 March 2019,
(ii) lower impairment on the trade receivables,
(iii) lower direct cost,
(iv) lower share of loss in joint ventures
Despite:
(i) higher finance cost and
(ii) the absence of one off surplus of RM79.75 million in other income arising from the deconsolidation of Perisai Pacific 102 (L) Inc on 11 October 2017 as a result of winding up by the Court.

For the current quarter ended 31 March 2019, the Group generated total revenue of RM32.21 million an increase of RM2.85 million when compared with the revenue of RM29.36 million generated in the previous corresponding quarter ended 31 March 2018.

The increase in revenue was mainly due to higher revenue generated from PP101 jack up rig as a result of higher no of days with full charter rate and higher other rig related income in the current financial quarter ended 31 March 2019.

LBT for the current quarter ended 31 March 2019 amounted to RM24.86 million, a decrease of RM221.25 million when compared to the LBT amount of RM246.11 million recorded in the corresponding quarter ended 31 March 2018.

The lower LBT recorded was mainly due to:
(i) there being no impairment on plant and equipment in the financial quarter ended 31 March 2019
(ii) lower direct cost, despite higher finance cost.

Statement of Financial Position

As at 31 March 2019, the capital deficiency had increased to RM337.07 million from RM258.58 million as at 30 June 2018, mainly due to loss incurred for the financial period ended 31 March 2019 and lower foreign translation reserve as a result of weakening of Ringgit Malaysia on net liabilities of certain subsidiaries.

The capital deficiencies will be dealt with as part of the regularization plan of the Company.

Total borrowings of the Group increased to RM1,233 million as at 31 March 2019 against RM1,229 million as at 30 June 2018 mainly due to unfavorable conversion exchange rate despite the repayment of term loans.

Statement of Cash Flows

The Group generated a net operating cash flow of RM38.11 million for the nine months ended 31 March 2019 as compared to RM28.34 million for the corresponding period ended 31 March 2018. The increase was mainly due to prompt receipts and lower operating cost.

The cash utilisation in investing activities increased to RM0.38 million from RM0.05 million for the corresponding period mainly due to purchase of plant and equipment and the deconsolidation of net cash of Alpha Perisai Sdn Bhd upon winding up by the Court as mentioned in Note B8(i) in the current financial period.

The net cash outflow in financing activities increased to RM15.23 million from RM11.87 million for the corresponding period mainly due to dividend paid by one of the subsidiaries to non-controlling interest and lower drawdown on borrowings.

Overall, the cash and cash equivalents increased by RM23.19 million as compared with opening balance cash and cash equivalent as at 1 July 2018. The cash and cash equivalents of the Group was RM46.21 million as at 31 March 2019.

Segmental Analysis

Drilling unit

For the financial period ended 31 March 2019, the Drilling Unit generated total revenue of RM95.40 million, an increase of RM10.73 million when compared to the amount of RM84.67 million in the corresponding financial period ended 31 March 2018.

The increase in revenue was mainly due to higher no of days with full charter rate as well as higher other rig related income in the current financial period ended 31 March 2019.

PBT for the financial period ended 31 March 2019 amounted to RM13.24 million as compared to the PBT amount of RM33.98 million in the corresponding financial period ended 31 March 2018.

The decrease in PBT of RM20.74 million was mainly due to the absence of one off surplus of RM31.64 million attributable to the drilling segment arising from the deconsolidation of Perisai Pacific 102 (L) Inc. on 11 October 2017 as a result of winding up by the Court and higher finance cost despite higher revenue and lower operation costs.

For the current quarter ended 31 March 2019, the Drilling Unit generated total revenue of RM32.22 million, an increase of RM3.56 million when compared to the amount of RM28.66 million in the corresponding quarter ended 31 March 2018.

The increase in revenue was mainly due to higher no of days with full charter rate as well as higher other rig related income.

PBT for the current quarter ended 31 March 2019 amounted to RM5.69 million as compared to the PBT amount of RM5.45 million in the corresponding quarter ended 31 March 2018.

The higher PBT of RM0.24 million was mainly due to higher revenue and lower operation cost despite higher finance cost in the current quarter ended 31 March 2019.

Production unit

Rubicone remained idle and did not generate any revenue for the current quarter and period ended 31 March 2019.

LBT for the financial period ended 31 March 2019 amounted to RM8.95 million, a decrease of RM223.17 million as compared to the LBT amount of RM232.12 million in the corresponding financial period ended 31 March 2018.

The decrease in LBT was mainly due to there being no impairment on plant and equipment in the current financial period ended 31 March 2019.

LBT for the current quarter ended 31 March 2019 amounted to RM3.15 million, a decrease of RM213.03 million as compared to the LBT amount of RM216.18 million in the corresponding quarter ended 31 March 2018.

The decrease in LBT was mainly due to there being no impairment on plant and equipment in the financial quarter ended 31 March 2019.

Marine Vessels

For the financial period ended 31 March 2019, the Marine Vessels generated total revenue of RM1.64 million, a decrease of RM10.64 million as compared to the amount of RM12.28 million in the corresponding financial period ended 31 March 2018.

The decrease in revenue was mainly due to the expiry of the charter contract for the eight (8) offshore support vessels in August 2017.

LBT for the financial period ended 31 March 2019 amounted to RM13.95 million, a decrease of RM0.80 million when compared to the LBT amount of RM14.75 million in the corresponding financial period ended 31 March 2018.

The lower LBT was mainly due to the lower impairment loss on trade receivables despite the expiry of contract for the eight (8) offshore support vessels in August 2017.

For the current quarter ended 31 March 2019, the Marine Vessels generated total revenue of RM Nil million as compared to the amount of RM0.70 million in the corresponding quarter ended 31 March 2018.

The decrease in revenue was mainly due to revenue being recognised up to 29 November 2018 instead of up to 31 March 2019 as a result of the resolution for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the period from 30 November 2018 to 29 November 2019 was not carried during the Annual General Meeting held on 29 November 2018.

LBT for the current quarter ended 31 March 2019 amounted to RM5.00 million, an increase of RM0.65 million when compared to the LBT amount of RM4.35 million in the corresponding quarter ended 31 March 2018.

The increase in LBT was mainly due to no revenue was recognised as explained above and higher finance cost despite the lower impairment on trade receivable in the current quarter ended 31 March 2019.

Results of Joint Ventures

For the financial period ended 31 March 2019, the share of loss in joint ventures was RM37.53 million as compared to a loss of RM42.17 million in the corresponding financial period ended 31 March 2018.

The lower share of loss was mainly due to lower operation cost incurred in the current financial period ended 31 March 2019 as compared to the corresponding financial period ended 31 March 2018.

In additional to the above, the Group has ceased recognising all losses that exceeded its interest in one of its joint ventures in the current financial period ended 31 March 2019 in accordance with MFRS 128 Investments in Associates and Joint Ventures.

For the current quarter ended 31 March 2019, the share of loss in joint ventures was RM12.44 million as compared to a loss of RM9.96 million in the corresponding quarter ended 31 March 2018.

The higher share of loss was mainly due to higher depreciation as a result of downward adjustment of residual value of plant and equipment as well as higher finance cost and the absence of demobilisation fee, which was received in the previous corresponding quarter.

Similar to the above, the Group has ceased recognising all losses that exceeded its interest in one of its joint ventures in the current financial quarter ended 31 March 2019 in accordance with MFRS 128 Investments in Associates and Joint Ventures.

2. Material Change in Profit Before Tax ("PBT") In Comparison to the Preceding Quarter

	Current Quarter	**Preceding Quarter**	
	31.3.2019 RM'000	**31.12.2018 RM'000**	**Changes (%)**
Revenue	32,213	32,472	(1)
Profit/(Loss) before taxation	(24,855)	(26,178)	5
Profit/(Loss) after taxation	(25,049)	(26,361)	5
Profit/(Loss) attributable to owner of the Company	(23,120)	(24,786)	7

For the current quarter ended 31 March 2019, the Group recorded a LBT of approximately RM24.86 million against a LBT of RM26.18 million recorded in the preceding quarter.

The lower LBT in the current quarter was mainly due to surplus of RM2.35 million in other income arising from the deconsolidation of Alpha Perisai Sdn Bhd on 1 March 2019 as a result of winding up by the Court as mentioned in Note B8(i), as compared to the preceding quarter.

3. Future Prospects

The outlook for the demand for the oil and gas assets in the short to medium term has improved albeit still remains challenging. The Group will remain cautious on its capital and cost management.

The contract for the provision of jack up drilling rig, PP101 between Petronas Carigali Sdn Bhd and Perisai Offshore Sdn Bhd had recently expired in mid May 2019, and PP101 will be undergoing a mandatory Special Periodic Survey prior to being redeployed to the next potential contract.

In the meantime, the Group is pursuing various opportunities for both its assets i.e. PP101 Jack up rig and FPSO Perisai Kamelia.

As disclosed in Note 6 (A) below, the Company had on 11 January 2019 received a suspension and de-listing notice from Bursa Securities wherein Bursa Securities vide their letter dated 11 January 2019 has rejected the Proposed Regularisation Plan.

On 8 February 2019, the Company has submitted an appeal to Bursa Securities on its decision to reject the Company's Proposed Regularisation Plan.

On 5 April 2019, Bursa Securities has vide its letter dated on the same day, stated that after due deliberation and having considered all facts and circumstances of the matter including the Company's written and oral representations, the Listing Committee ("LC") had decided to dismiss the Company's appeal against the rejection by Bursa Securities of the Company's Proposed Regularisation Plan ("Appeal on Regularisation Plan"). Notwithstanding the above decision, the LC decided to grant Perisai an extension of time until 31 December 2019 to submit a new regularisation plan to the relevant authorities for approval.

On 10 May 2019, the Company obtained a Restraining Order under Section 368 of the Companies Act, 2016 from the High Court of Malaya at Kuala Lumpur for a period of three (3) months effective from 10 May 2019 restraining all proceedings and actions to be brought against the Company.

4. Profit Forecast and Profit Guarantee

The Group did not announce or disclose any profit forecast or profit guarantee in any public documents for the financial period ended 31 March 2019.

5. Income Tax Expense

	Individual Period			Cumulative Period		
	Current Year Quarter 31.3.2019 RM'000	**Preceding Year Corresponding Quarter 31.3.2018 RM'000**	**Changes %**	**Current Year To Date 31.3.2019 RM'000**	**Preceding Year Corresponding Period 31.3.2018 RM'000**	**Changes %**
Based on result for the year						
- Current year provision	(183)	(199)	8	(544)	(460)	(18)
- Under provision for taxation in prior year	(11)	32	(134)	(11)	32	(134)
	(194)	**(167)**	**(16)**	**(555)**	**(428)**	**(30)**

The effective tax rate for the current quarter and financial period ended 31 March 2019 was lower than the statutory tax rate arising mainly from certain subsidiaries being subject to lower tax rates under the Labuan Business Activity Tax Act, 1990.

6. Corporate Proposal

Save as disclosed below, there were no corporate proposals announced but not completed as at the reporting date.

A) On 1 August 2018, the company announced that the application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities for approval on 1 August 2018.

On 11 January 2019, the Company has received a suspension and de-listing notice from Bursa Securities wherein Bursa Securities vide their letter dated 11 January 2019 rejected the proposed regularisation plan.

In the circumstances and pursuant to Paragraph 8.04(5) of the Main Market Listing Requirements:

a) the trading in the securities of the Company will be suspended with effect from 22 January 2019; and

b) the securities of the Company will be de-listed on 13 February 2019 unless an appeal against the rejection of the regularisation plan and de-listing is submitted to Bursa Securities on or before 10 February 2019 ("the Appeal Timeframe"). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the removal of the securities of the Company from the Official List of Bursa Securities on 13 February 2019 shall be deferred pending the decision on the Company's appeal.

On 8 February 2019, the Company has submitted an appeal to Bursa Securities on its decision to reject the Company's Proposed Regularisation Plan.

On 5 April 2019, Bursa Securities has vide its letter dated on the same day stated that after due deliberation and having considered all facts and circumstances of the matter including the Company's written and oral representations, the Listing Committee ("LC") had decided to dismiss the Company's appeal against the rejection by Bursa Securities of the Company's Proposed Regularisation Plan ("Appeal on Regularisation Plan").

In arriving at the aforesaid decision to dismiss the Appeal on Regularisation Plan, the LC affirmed similar factors as set out in Bursa Securities' letter dated 11 January 2019 and had considered, amongst others, the following factors: -

1. as part of the Proposed Regularisation Plan, Perisai was relying on its existing two core business segments, i.e. offshore drilling and offshore production (operating the PP101 rig and the FPSO Perisai Kamilia) to turnaround the Company's financial condition. The FPSO had not been chartered since the end of May 2017 and the charter for PP101 rig is due to expire in May 2019; and

2. the Company and the Principal Adviser have not been able to demonstrate to the satisfaction of Bursa Securities the ability of the Company to comply with paragraphs 5.2(c) and 5.5(d) of Practice Note 17 ("PN17") i.e. the ability of Perisai and its subsidiaries to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the Proposed Regularisation Plan.

Notwithstanding the above decision to dismiss the Appeal on Regularisation Plan, the LC after due consideration of all facts and circumstances of the matter including the written and oral representations of the parties and in particular, the Company's representations on the following: -

1. the recovery/improving prospects of the global oil and gas ("O&G") industry wherein the O&G activities in Malaysia were expected to increase over the next 3 years and PETRONAS' Activity Outlook report for 2019-2021 has forecasted a significant increase in demand for jack-up rigs in 2019 as compared to its earlier forecast in the previous outlook report;

2. the specific nature of the O&G upstream related businesses and industry, in particular the requirements for and highly capital-intensive nature of jack-up rigs and FPSOs;

3. Perisai is one of the only two Malaysian jack-up drilling companies and it has one of the few gas FPSO in the region ready to be chartered;

4. the Company had identified and was in the midst of negotiations with prospective charters for the FPSO and the decision of the contract award was expected within 4th quarter of 2019; and

5. the Company had secured the approval of 88% of the scheme creditors for the proposed scheme of arrangement and the scheme creditors remained bound by the terms of the agreement.

The LC decided to grant Perisai an extension of time until 31 December 2019 to submit a new regularisation plan to the relevant authorities for approval ("the Extended Timeframe").

The LC further decided to de-list the securities of Perisai from the Official List of Bursa Securities pursuant to paragraph 8.04 of the Main LR in the event: -

1. the Company fails to submit the regularisation plan to the relevant authorities for approval within the Extended Timeframe i.e. on or before 31 December 2019;
2. the Company fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe (or extended timeframe, as the case may be) prescribed to lodge an appeal;
3. the Company does not succeed in its appeal; or
4. the Company fails to implement its regularisation plan within the timeframe or extended timeframes stipulated by the relevant authorities.

Upon occurrence of any of the events set out in paragraph (1) to (4) above, the securities of the Company shall be removed from the Official List of Bursa Securities upon the expiry of 2 market days from the date the Company is notified by Bursa Securities or on such other date as may be specified by Bursa Securities.

B) On 15 May 2019, The Company announced the updates on the Bilateral Settlement Agreement as follows:

A Scheme of Arrangement pursuant to Section 366 of the Companies Act 2016 was approved by PPTB scheme creditors on 8 June 2018, as part of its proposed debt resolution. As disclosed under the PPTB Scheme, each of the operating subsidiaries and their respective financial institution creditors ("FI Creditors") are to enter into separate Bilateral Settlements (PPTB Operating Subsidiaries) to restructure or settle their respective individual debts as at 30.6.2017 on terms as set out in each respective Bilateral Settlement agreement. These Bilateral Settlements (PPTB Operating Subsidiaries) are to be entered into by the following:-

1. Garuda Energy and OCBC Malaysia;
2. Intan Offshore and DBS-SG;
3. Perisai Pacific 101 and OCBC Singapore/OCBC Labuan; and
4. EVLB, OCBC Singapore and RHB Labuan.

Further to the above, a Bilateral Settlement Agreement between Garuda Energy and OCBC Malaysia was executed on 6 May 2019 and as provided for in the Bilateral Settlement Agreement, part of Garuda's debt owing to OCBC Malaysia shall be set-off against the mobile offshore production unit ("MOPU") owned by Garuda secured by the various Mortgage Agreements and OCBC Malaysia is at liberty, at any time, to exercise the power of sale pursuant to the Mortgage Agreement.

Garuda is the registered owner of the MOPU and had, pursuant to the Mortgage Agreements charged the MOPU to OCBC Malaysia as security for financing facilities granted by OCBC Malaysia to Garuda pursuant to two Facility Agreements both dated 29 March 2012.

Accordingly, OCBC Malaysia is now exercising its' mortgage to dispose of the MOPU and has entered into a Memorandum of Agreement with a buyer for the purpose of such disposal.

Salient terms of the Bilateral Settlement Agreement are as follows:-

1.1 On or after 1.9.2017, Garuda Energy and OCBC Malaysia shall jointly appoint an independent valuer to value the Charged Asset of Garuda Energy on the basis of fair market value.

1.2 The debt outstanding as at Cut-Off Date, shall be compromised and deemed as fully settled on the following terms:

1.2.1 the MOPU shall be deemed disposed and the value ascertained to para 1.1 above shall be credited against the debt outstanding in accordance with para 1.2.2 below;

1.2.2 OCBC Malaysia's outstanding debt to be compromised shall be the debt outstanding as at the Cut-Off Date less (i) penalty interest, (ii) value of the Charged Asset under para 1.1 above, (iii) value of the allotment of PPTB New Ordinary Shares by PPTB and accepted by OCBC Malaysia, and plus (iv) interest capitalised from 1.7.2017 up to Lodgement Date;

1.2.3 the balance outstanding after para 1.2.2 shall be assigned by OCBC Malaysia to PPTB in consideration of ICULS to be received by Garuda Energy to the value of the lower of the said balance outstanding or the total of such ICULS received by Garuda, as the case may be. The delivery of the said ICULS to OCBC Malaysia shall be deemed to be in full and final settlement of Garuda Energy's debt to OCBC Malaysia;

1.2.4 prior to the Implementation Date, PPTB shall allocate the ICULS at par value to settle the outstanding balance as set out in para 1.2.2 above; and

2. On Implementation Date, all penalty interest shall be waived and there shall be clawback of any penalty interest paid from the Cut-Off Date up to Lodgement Date. Any clawback of penalty interest shall be first applied to repay any outstanding balance prior to the issuance of ICULS. The abovementioned settlement in paras 1.2.2 and 1.2.3 shall be deemed to be in full and final settlement.

3. OCBC Malaysia is at liberty to exercise its mortgage to dispose the MOPU as set out in para 1.2.1 above.

PPTB's guarantee to OCBC Malaysia shall be released and discharged on Lodgement Date.

The disposal of MOPU is consistent with the Company's plans to streamline its business plan and dispose non-core assets. This is also in line with the Proposed Regularization Plan and PPTB Scheme, which has been approved by the PPTB Scheme Creditors. The Proposed Regularization Plan shall be submitted for Bursa's approval by 31 December 2019.

C) On 23 December 2016, the Company had entered into a Settlement Agreement with EMAS Offshore Limited ("EOL") ("Proposed Settlement Agreement") to achieve a full and final settlement of the disputes, differences, claims, and counterclaims against each other arising from or in connection with the Share Sale Agreement Dated 23 December 2013 ("SSA") and Put Option.

On 21 April 2017, Perisai and EOL have mutually agreed to extend first of their 4 Long Stop extension periods to 23 May 2017.

On 24 May 2017, Perisai and EOL have mutually agreed to extend the Long Stop Period to 23 June 2017.

On 17 August 2017, it was announced that Perisai had on 14 August 2017 requested for a confirmation from EOL on the status of the Conditions Precedents to be fulfilled by EOL. EOL had on 15 August 2017 confirmed that EOL has not received any representation from OCBC which would allow EOL to conclude whether or not the Conditions Precedents would be satisfied. EOL further confirmed that the Long Stop Period be extended only up to 23 July 2017. As the Long Stop Period has since lapsed, the Proposed Settlement Agreement became ineffective.

Pursuant to the terms of the Proposed Settlement Agreement and the lapse of the Proposed Settlement Agreement, the put option granted by EOL to Perisai pursuant to the SSA is revived accordingly. This gives Perisai the right to sell its 51% equity interest in SJR Marine to EOL. Perisai had earlier served the Put Option notice to EOL on 8 December 2016. Following the lapse of the Proposed Settlement Agreement, Perisai is pursuing to complete the Put Option, which shall take place 30 days from 17 August 2017 in accordance with the terms of the Put Option notice served on EOL earlier.

Based on the above, the Proposed Settlement Agreement detailed in the announcement on 23 December 2016 has been aborted.

On 27 September 2017, EOL had written to Perisai stating that due to the lapse of the Settlement Agreement, Perisai is required to comply with the Shareholders' Agreement dated 26 December 2013, which was terminated by EOL's notice dated 8 December 2016 ("Termination Notice"), and Perisai is obliged to complete the sale of the 51% shares in SJR Marine to EOL at the stated price of USD1.00.

EOL claims that it had effected payment of USD1.00 to Perisai and is awaiting for Perisai's completion documents to be delivered to them.

Perisai had already disputed the Termination Notice by its letter to EOL dated 8 December 2016 and maintains that the alleged termination is invalid and ineffective.

The Company will make such further announcement on the development on the above matter as and when necessary.

Although strictly in accordance with the accounting standards SJR Marine remains to be recognised as a joint venture of PPTB, PPTB maintains that in exercising the Put Option, SJR Marine's shares have been properly delivered to PPTB's legal counsel.

On 15 January 2018, Perisai Production Holdings Sdn Bhd ("PPHSB"), a wholly-owned subsidiary of Perisai has written to the Company Secretary of EMAS Victoria (L) Bhd ("EVLB") to serve a notice that a termination event (details of which are as set out in the ensuing paragraph) has occurred enabling PPHSB to terminate the Shareholders' Agreement dated 21 August 2013 between PPHSB, EMAS Offshore Limited ("EOL") and EVLB ("EVLB SHA").

EOL had released two (2) public announcements dated 31 August 2017, which stated as follows:

- EOL entered into a binding term sheet with certain potential investors as part of the financial restructuring of EOL and its subsidiaries ("the Group")
- In connection with the restructuring, EOL voluntarily applied to the High Court under Section 211B(1) of the Companies Act (Cap. 50)
- EOL intends to undertake the restructuring to substantially deleverage the Group's balance sheet and strengthen its working capital position to enable its business to continue as a going concern

EOL's ongoing efforts to restructure its debts coupled with its application in OS997/2017 under Section 211B(1) of the Companies Act (Cap. 50) showed that EOL had resolved to enter into a scheme of arrangement or compromise for the benefit of its creditors or any class of them. This amounted to an event of default under clause 14.1(c) of the EVLB SHA.

In light of the default, pursuant to PPHSB's rights under Clause 14 of the EVLB SHA, PPHSB required EOL to sell 37,333,604 ordinary shares held by EOL in EVLB to PPHSB on the 30th day from the date of the termination notice at 10.00 a.m. on 14 February 2018 (Malaysia time) at the price of USD1.00, which completion shall take place at the registered office of EVLB.

On 29 January 2018, PPHSB had received two (2) notices from EOL both dated 29 January 2018.

By the first notice, EOL denied having committed any event of default under Clause 14.1(c) of the EVLB SHA, as alleged or at all and on this premise, EOL asserted that it remains as a shareholder of EVLB. The termination by PPHSB of the EVLB SHA is therefore disputed by EOL.

By the second notice, EOL required the Company Secretary of EVLB to appoint a Valuer to procure the Valuation Price for the Default Shares as the Option Price of USD1.00 is also disputed by EOL.

The Company Secretary of EVLB had on the same day acknowledged receipt of the notices and confirmed that a Valuer will be appointed accordingly for such purpose.

On 4 July 2018, Perisai served a Notice of Assignment to EOL in relation to the Assigned Rights (as defined herein below):-

i) By a Deed of Assignment dated 2 February 2018 made by Perisai in favour of PPHSB, Perisai has assigned to PPHSB the proceeds of the Put Option (equivalent to the sum of USD43,031,406.55) and the rights and entitlement to claim for such proceeds which are now owing and due from EOL to Perisai pursuant to Perisai's exercise of the right to sell of Perisai's remaining equity interest in SJR, representing 51% of the equity interest in SJR Marine, vide Perisai's Put Option Notice dated 8 December 2016 ("Put Option")("Assigned Rights").

ii) that EOL is irrevocably authorised and instructed to pay to PPHSB all sums which are due to be paid by EOL to Perisai pursuant to the exercise of the Put Option.

7. Borrowings And Debt Securities

The Group's borrowings and debt securities as at 31 March 2019 are as follows:

	As at 3rd quarter ended 31.3.2019					
	Long-term		Short-term		Total borrowings	
	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000
Secured						
Term loan	-	-	USD195,078	796,895	USD195,078	796,895
Amount owing under revolving credit	-	-	RM13,068	13,068	RM12,714	13,068
Revolving credit	-	-	USD10,000	40,850	USD10,000	40,850
Overdraft	-	-	RM5,710	5,710	RM5,513	5,710
Unsecured						
MTN	-	-	SGD125,000	376,775	SGD125,000	376,775
Total	-	-		**1,233,298**		**1,233,298**

	As at 3rd quarter ended 31.3.2018					
	Long-term		Short-term		Total borrowings	
	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000
Secured						
Term loan	-	-	USD200,758	771,161	USD200,758	771,161
Amount owing	-	-				
under revolving	-	-				
credit	-	-	RM11,369	11,687	RM11,369	11,687
Revolving credit	-	-	USD10,000	38,630	USD10,000	38,630
Overdraft			RM5,101	5,101	RM5,016	5,101
Unsecured	-	-				
MTN			SGD125,000	368,675	SGD125,000	368,675
Total	-	-		**1,195,254**		**1,195,254**

8. Changes In Material Litigation

(i) LETTER OF DEMAND

On 21 November 2017 Alpha Perisai Sdn Bhd ("APSB"), a wholly-owned subsidiary of the Company had been served with a Letter of Demand dated 20 November 2017 from Shaikh David & Co., acting on behalf of Teknik Janakuasa Sdn Bhd ("**the Landlord or the Plaintiff**") demanding for the rental arrears and rental for unexpired term amounting to RM2,754,753.84 due and owing to the Landlord pursuant to the tenancy agreement dated 27 May 2013 ("**Tenancy Agreement**") entered into between APSB and the Landlord in respect of the premises known as Level 13A, Block 3B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur ("**Demised Premises**"). APSB is required to pay the total sum of RM2,754,753.84 together with interest within 7 days from the date of the Letter of Demand.

Details of the rental arrears and rental for unexpired term are as follows:-

Rental arrears from June 2016 to June 2017 at RM76,520.94 per month	RM 994,772.22
Rental for unexpired term from July 2017 to May 2019 (expiry of tenancy term) at RM76,520.94 per month	RM1,759,981.62
Total	**RM2,754,753.84**

The rental arrears related to a tenancy of the Demised Premises for a period of 3 years commencing 15 April 2013. The tenancy was further renewed pursuant to a renewal letter dated 19 February 2016 ("**Renewal**"). The Renewal commenced on 16 April 2016 and will expire on 15 May 2019. The rental rate and parking fees per month is RM76,520.94 pursuant to the Tenancy Agreement. Prior to the expiry of the Tenancy Agreement, APSB had unilaterally vacated the Demised Premises and the Demised Premises was purportedly surrendered to the Landlord after a joint inspection on 6 July 2017. As at June 2017, 13 months of rental was outstanding excluding interest prescribed under the Tenancy Agreement.

The said Letter of Demand alleged that APSB's failure to pay the rental arrears and purported termination of the tenancy period under the Tenancy Agreement amounts to a breach of the Tenancy Agreement. In addition to the rental arrears prior to vacant possession of the Demised Premises, APSB remains liable for the unexpired terms for the Demised Premises as well as the reinstatement cost for the Demised Premises.

The security deposit paid under the terms of the Tenancy Agreement will be set-off and utilised for costs incurred to reinstate the Demised Premises as required under the terms of the Tenancy Agreement.

APSB is exposed to the above rental arrears and reinstatement cost as stated above.

The Letter of Demand will not have any financial or operational impact on the Group and the Company will seek legal advice on the above matter.

APSB has been subsequently served with a Writ and Statement of Claim dated 13 December 2017 from Messrs Shaikh David & Co acting on behalf of the Landlord.

The Company will defend the claim, especially in respect of the rental for the unexpired term until 15 May 2019 as the Plaintiff has the duty to mitigate its losses by securing a new tenant for the Demised Premises. On 13 March 2018, the Court had fixed the trial for hearing on 6 August 2018 to 8 August 2018 and the next Case Management date was fixed on 23 July 2018.

On 13 March 2018, the Court dismissed the Plaintiff's Application for Summary Judgement with a cost of RM3,000.00 to be paid to APSB.

On 22 March 2018, Messrs Shaikh David & Co, on behalf of the Plaintiff, filed a Notice of Appeal to the High Court against the decision on 13 March 2018 made by the Session Court on the dismissal of the Plaintiff's Application for Summary Judgement. The Court has fixed a Case Management date on 3 May 2018.

The matter was fixed for further Case Management on 30 May 2018 pending grounds of judgement from the Session Court Judge.

On 30 May 2018, APSB was served with the grounds of judgement by the Landlord and the High Court had fixed the hearing date for the Plantiff's appeal on 12 July 2018.

On 24 July 2018, APSB received from Messrs Shaikh David & Co., the Advocates and Solicitors acting on behalf of the Plaintiff, a Notice of Application by the Plaintiff for the suspension of trial proceedings until the termination of the Appeal Judgment ("the Appeal") in the High Court.

In view of the Appeal in the High Court, the Sessions Court vacated the trial dates to 6th - 10th of August 2018 and a Case Management was fixed on 15 August 2018.

On 15 August 2018, the Sessions Court fixed a Case Management on 4 September 2018 at 10.30a.m. for an update of the application by the Landlord for the stay of trial proceedings until the High Court has given its decision on the Appeal on 4 September 2018. The High Court has granted its decision on 4 September 2018.

The High Court partially allowed the Appeal, whereby:-
(a) the amount outstanding for the months of June 2016 to June 2017 in the total sum of RM994,772.22 (as admitted by the Defendant) was allowed;

(b) the rental for the unexpired term in the total sum of RM1,759,981.62 was not allowed and trial date(s) for the same would need to be set by the Sessions Court.

(c) the costs of RM3,000.00 to be paid by the Defendant to the Plaintiff will be set off against the costs obtained from the Plaintiff in the Sessions Court.

The Sessions Court has fixed the next Case Management on 11 October 2018 at 9.00 a.m. and has fixed a further Case Management on 25 October 2018 at 9.00 a.m. for an update of the decision by the Plaintiff whether to proceed to trial or withdraw the claim against the defendant.

Messrs Shaikh David & Co, on behalf of the Plaintiff, via their letter dated 15 October 2018, had served the following documents to Messrs Chua & Associates, the solicitors for the Defendant of APSB:-

i) a copy of the sealed Order dated 4 September 2018;

ii) a copy of the sealed Judgment dated 4 September 2018; and

iii) a copy of the sealed Allocator dated 4 September 2018

Pursuant to the terms of the Judgment, the Defendant is required to pay to the Plaintiff the judgment sum of RM994,772.22 as the rental outstanding from June 2016 until June 2017, costs of RM3,000.00 and fees allocator of RM120.00. The costs of RM3,000.00 is agreed to be set off by parties pursuant to the correspondences dated 18 September 2018 and 24 September 2018.

The Sessions Court has fixed the trial dates on 4 March 2019 to 7 March 2019 and a Case Management on 18 February 2019 to update the Sessions Court of any changes (if any) on the matter and to ensure all pre-trial directions are complied with.

Messrs Shaikh David & Co, on behalf of the Plaintiff, via their letter dated 5 November 2018 had served a Notice Pursuant to Section 466(1)(a) of the Companies Act, 2016 ("Notice") received by the Company on 12 November 2018 requested the Defendant, a wholly-owned subsidiary of the Company to pay to the Plaintiff the sum of RM994,772.22, being the amount due and owing by the Defendant to the Plaintiff pursuant to a Judgment dated 4 September 2018, within twenty-one (21) days of the receipt of the Notice.

Messrs Shaikh David & Co, on behalf of the Teknik Janakuasa Sdn Bhd ("Petitioner"), via their letter dated 2 January 2019 had served the following documents to APSB ("Respondent"):-

i) a copy of the sealed Winding-Up Petition ("Petition") dated 28 December 2018; and

ii) a copy of the Affidavit Verifying Petition on 2 January 2019.

The hearing date of the Petition has been fixed by the Shah Alam High Court on 1 March 2019.

The High Court had on 1 March 2019 ordered as follows:-

i. The Defendant to be wound up by the Court with the Official Receiver to be appointed as the Liquidator.

ii. The costs of RM5,000.00 to be paid out from the assets of the Defendant to the Plaintiff.

On 8 March 2019, the Case Management has been fixed on 22 March 2019 by the Sessions Court.

On 25 March 2019, the Sessions Court suit has been struck out with liberty to file a fresh with no order as to costs, in view of the Winding Up Order issued by the High Court.

9. Dividends Payable

There was no dividend declared for the financial period ended 31 March 2019.

10. Earnings Per Share ("EPS")

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

(a) Basic Earnings/(Loss) Per Share

	Individual Period		Cumulative Period	
	Current Year Quarter 31.3.2019 RM'000	**Preceding Year Corresponding Quarter 31.3.2018 RM'000**	**Current Year To Date 31.3.2019 RM'000**	**Preceding Year Corresponding Period 31.3.2018 RM'000**
Loss from continuing operations	(23,120)	(244,524)	(67,787)	(245,917)
Loss attributable to owners of the Company	(23,120)	(244,524)	(67,787)	(245,917)
Weighted average number of ordinary shares in issue ('000)	1,260,472	1,260,472	1,260,472	1,260,472
Basic loss per share (sen)	(1.83)	(19.40)	(5.37)	(19.51)

The diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as the assumed potential new ordinary shares are anti-dilutive.

11. Auditors' Report On Preceding Annual Financial Statements

The auditor draws attention to the material uncertainty related to going concern which related to the Group and the Company incurred net losses of RM469,252,755 and RM369,853,195 respectively. As at that date, the Group and the Company recorded net current liabilities of RM1,309,316,264 and RM835,334,174 and capital deficiencies of RM258,582,123 and RM417,107,442 respectively. Furthermore, in October 2016, the Company and its wholly-owned subsidiary, Perisai Capital (L) Inc ("PCLI") received a notice from the Trustee of the Medium Term Notes ("MTN") that an event of default for payment of principal and interest of the MTN had occurred as PCLI failed to pay the principal and interest due on 3 October 2016. Consequently, this gave rise to a cross default of the financing facilities with all other lenders of the Group and of the Company, including the joint ventures. The auditors' report on the financial statements for the financial year ended 30 June 2018 was unmodified on this matter.

The Group had submitted its regularisation plan which would address its net current liabilities positions and PN17 status on 1 August 2018. On 11 January 2019, the Company received a suspension and de-listing notice from Bursa Securities wherein Bursa Securities vide their letter dated 11 January 2019 rejected the proposed regularisation plan. On 8 February 2019, the Company submitted an appeal to Bursa Securities on its decision to reject the Company's Proposed Regularisation Plan. On 5 April 2019, Bursa Securities had, vide its letter dated 5 April 2019 stated that after due deliberation and having considered all facts and circumstances of the matter including the Company's written and oral representations, the Listing Committee ("LC") had decided to dismiss the Company's appeal against the rejection by Bursa Securities of the Company's Proposed Regularisation Plan ("Appeal on Regularisation Plan"). The LC decided to grant Perisai an extension of time until 31 December 2019 to submit a new regularisation plan to the relevant authorities for approval ("the Extended Timeframe"). The Group is also pursuing all avenues available to recover the receivables, the right of indemnity of the Company as the corporate guarantor against the borrower/principal debtor is specifically stated under Section 98 of the Contract Acts 1950 and seeking legal advice pertaining to the exercise of the put option and other events relating to the put option.

12. Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 31.3.2019 RM'000	**Current Year To Date 31.3.2019 RM'000**
Profit/(loss) before tax is arriving at after charging/(crediting):		
Interest income	(174)	(508)
Other income	(172)	(524)
Interest expenses	22,234	65,833
Depreciation and amortisation	8,853	26,858
Restructuring cost	551	2,781
Surplus on liquidation	(2,350)	(2,350)
Provision for impairment on trade receivables	(6)	1,638
Provision for impairment on other receivables	170	501
Provision for impairment on amount due from joint ventures	(705)	661
Reversal of impairment on trade receivables	-	(234)
Bad debt relief	50	(640)
Realised foreign exchange (gain)/loss	(1,964)	1,274
Unrealised foreign exchange (gain)/loss	5,561	355

13. Financial Instruments

As at 31 March 2019, the Group did not have any outstanding derivative financial instrument. There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial period. Also, there have been no changes to the Group's risk management objectives, policies and processes since the end of the last financial year.

14. Material Impairment of Assets

There was no material impairment of assets during the current quarter and financial period under review.

15. Trade Receivables

	As at 31.3.2019 RM'000
Trade receivables	
- Billed	143,003
- Unbilled	2,294
	145,297
Less: Allowance for impairment	(119,631)
	25,666

The ageing analysis of the Group's trade receivables as at 31 March 2019 is as follows:

	As at 31.3.2019 RM'000
Neither past due nor impaired	9,530
1 to 30 days past due nor impaired	6,127
31 to 60 days past due nor impaired	319
61 to 90 days past due nor impaired	330
91 to 120 days past due nor impaired	318
More than 120 days past due nor impaired	9,042
Impaired	119,631
	145,297

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulty and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements. The Company is in communication with the charterers with regards to the payment of the outstanding amounts. In the event such dialogue does not result in a recovery solution acceptable to the company, all available recourse to recovery of the same shall be undertaken, including litigation.

16. Authorised For Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board of Directors dated 29 May 2019.

By Order of the Board
Perisai Petroleum Teknologi Bhd

Tai Yit Chan (MAICSA No: 7009143)
Tan Ai Ning (MAICSA No: 7015852)
Company Secretaries