

**STRAITS ENERGY RESOURCES BERHAD**

(Company No.: 199601040053 (412406-T))

(Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**  
ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPT 2023**SUMMARY OF KEY FINANCIAL INFORMATION**

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2023 RM'000	Quarter Ended 30 Sept 2022 RM'000	Period Ended 30 Sept 2023 RM'000	Period Ended 30 Sept 2022 RM'000
Revenue	771,576	906,341	1,955,040	2,375,621
Operating profit	1,690	6,708	14,130	16,856
Finance costs	(2,817)	(2,625)	(8,294)	(6,558)
Share of result of associate	1,292	(1,683)	2,719	1,428
Profit before tax	165	2,400	8,555	11,726
Income tax expense	(7)	(1,395)	(3,195)	(4,986)
Profit after taxation	158	1,005	5,360	6,740
Profit attributable to :				
Owners of the Parent	696	227	5,238	5,839
Non-controlling interest	(538)	778	122	901
Profit for the period	158	1,005	5,360	6,740
Basic earnings per share (sen)	0.07	0.03	0.56	0.68
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
Proposed/Declared Dividend per share (sen)	N/A	N/A	N/A	N/A

**STRAITS ENERGY RESOURCES BERHAD**

(Company No.: 199601040053 (412406-T))

(Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**  
**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2023 RM'000	Quarter Ended 30 Sept 2022 RM'000	Period Ended 30 Sept 2023 RM'000	Period Ended 30 Sept 2022 RM'000
Revenue	771,576	906,341	1,955,040	2,375,621
Operating expenses	(762,669)	(899,719)	(1,932,244)	(2,356,770)
Interest income	8	10	66	51
Other operating income	(508)	4,772	10,307	11,574
Depreciation	(6,717)	(4,696)	(19,039)	(13,620)
<b>Operating profit</b>	<b>1,690</b>	<b>6,708</b>	<b>14,130</b>	<b>16,856</b>
Finance costs	(2,817)	(2,625)	(8,294)	(6,558)
Share of result of associate	1,292	(1,683)	2,719	1,428
<b>Profit before tax</b>	<b>165</b>	<b>2,400</b>	<b>8,555</b>	<b>11,726</b>
Income tax expense	(7)	(1,395)	(3,195)	(4,986)
<b>Profit after taxation</b>	<b>158</b>	<b>1,005</b>	<b>5,360</b>	<b>6,740</b>
Other comprehensive income, net of tax	476	4,747	6,269	7,847
<b>Total comprehensive income for the quarter/period</b>	<b>634</b>	<b>5,752</b>	<b>11,629</b>	<b>14,587</b>
Profit attributable to :				
Owners of the Parent	696	227	5,238	5,839
Non-controlling interest	(538)	778	122	901
<b>Profit after taxation</b>	<b>158</b>	<b>1,005</b>	<b>5,360</b>	<b>6,740</b>
Owners of the Parent	1,002	3,478	9,328	11,138
Non-controlling interest	(368)	2,274	2,301	3,449
<b>Total comprehensive income for the quarter/period</b>	<b>634</b>	<b>5,752</b>	<b>11,629</b>	<b>14,587</b>
Basic earnings per share (sen)	0.07	0.03	0.56	0.68
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

**Notes :**

- 1) The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.
- 2) Certain comparative figures have been reclassified to conform to the current quarter's presentation.

**STRAITS ENERGY RESOURCES BERHAD**

(Company No.: 199601040053 (412406-T))

(Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(These figures have not been audited)

	As At 30 Sept 2023 (Unaudited) RM'000	As At 31 Dec 2022 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	193,584	181,805
Goodwill on consolidation	47,407	46,344
Investment in associates	31,065	31,647
Other receivables	2,741	3,129
<b>Total Non-Current Assets</b>	<b>274,797</b>	<b>262,925</b>
<b>Current Assets</b>		
Inventories	83,986	45,658
Trade receivables	105,964	38,199
Contract assets	1,369	-
Other receivables, deposits & prepaid expenses	157,346	156,063
Tax recoverable	659	232
Fixed deposits	1,776	4,511
Cash & bank balances	45,194	56,317
<b>Total Current Assets</b>	<b>396,294</b>	<b>300,980</b>
<b>TOTAL ASSETS</b>	<b>671,091</b>	<b>563,905</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	146,740	146,740
Forex currency translation reserve	8,133	4,044
Retained profits	11,380	8,887
Equity Attributable to Owners of the Parent	166,253	159,671
Non-controlling interests	21,125	17,338
<b>Total Equity</b>	<b>187,378</b>	<b>177,009</b>
<b>Non-Current Liabilities</b>		
Other creditors	234	10,447
Leased liabilities	10,218	6,326
Bank borrowings	4,379	8,395
Deferred tax liabilities	614	193
<b>Total Non-Current Liabilities</b>	<b>15,445</b>	<b>25,361</b>
<b>Current Liabilities</b>		
Trade payables	75,299	93,351
Contract liabilities	-	57
Other payables and accruals	274,670	148,596
Bank borrowings	112,182	113,580
Leased liabilities	6,117	3,486
Tax liabilities	-	2,465
<b>Total Current Liabilities</b>	<b>468,268</b>	<b>361,535</b>
<b>Total Liabilities</b>	<b>483,713</b>	<b>386,896</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>671,091</b>	<b>563,905</b>
Net asset per share attributable to Owners of the Parent (sen)	17.65	16.95

**Note :**

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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**STRAITS ENERGY RESOURCES BERHAD**

(Company No.: 199601040053 (412406-T))

(Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPT 2023**  
 (These figures have not been audited)

	-----> Attributable to Owners of the Parent <-----								Total Equity RM'000
	-----> Non-Distributable <-----			Warrant Reserve RM'000	Forex Currency Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-Controlling Interest ("NCI") RM'000	
	Share Capital RM'000	Other Reserve* RM'000	Sub-Total RM'000						
<b>Period ended 30 Sept 2023</b>									
At 1 January 2023	146,740	-	146,740	-	4,044	8,887	159,671	17,338	177,009
Profit for the period	-	-	-	-	-	5,238	5,238	122	5,360
Translation reserve	-	-	-	-	4,089	-	4,089	2,180	6,269
Acquisition of subsidiaries	-	-	-	-	-	-	-	(112)	(112)
Acquisition of NCI	-	-	-	-	-	3	3	(3)	-
Capital contribution from NCI	-	-	-	-	-	-	-	1,600	1,600
Dilution in investment in associate	-	-	-	-	-	(2,748)	(2,748)	-	(2,748)
<b>At 30 Sept 2023</b>	<b>146,740</b>	<b>-</b>	<b>146,740</b>	<b>-</b>	<b>8,133</b>	<b>11,380</b>	<b>166,253</b>	<b>21,125</b>	<b>187,378</b>
<b>Period ended 30 Sept 2022</b>									
At 1 January 2022	124,897	(17,625)	107,272	17,625	653	5,313	130,863	14,361	145,224
Profit for the period	-	-	-	-	-	5,839	5,839	901	6,740
Translation reserve	-	-	-	-	5,299	-	5,299	2,548	7,847
New issuance of shares	13,792	-	13,792	-	-	-	13,792	-	13,792
Conversion of warrant	8,051	8,051	16,102	(8,051)	-	-	8,051	-	8,051
Expiry of Warrant	-	9,574	9,574	(9,574)	-	-	-	-	-
Share application monies	-	-	-	-	-	-	-	(329)	(329)
Acquisition of subsidiaries	-	-	-	-	-	(639)	(639)	(1,152)	(1,791)
Acquisition of NCI	-	-	-	-	-	-	-	4,871	4,871
Capital contribution from NCI	-	-	-	-	-	(1,764)	(1,764)	-	(1,764)
<b>At 30 Sept 2022</b>	<b>146,740</b>	<b>-</b>	<b>146,740</b>	<b>-</b>	<b>5,952</b>	<b>8,749</b>	<b>161,441</b>	<b>21,200</b>	<b>182,641</b>

**Note :**

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

\* Other Reserve represent the discount on issuance of shares and the value of which is represented by the fair value of the warrant.

**STRAITS ENERGY RESOURCES BERHAD**

(Company No.: 199601040053 (412406-T))

(Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(These figures have not been audited)

	Period Ended 30 Sept 2023 RM'000	Period Ended 30 Sept 2022 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	8,555	11,726
Adjustments for :		
(Reversal)/allowance for expected credit losses on trade receivables	(313)	867
Depreciation of property, plant and equipment	19,039	13,620
Bad debt written off	-	552
Deposits written off	-	2
Gain on disposal of property, plant and equipment	(75)	-
Gain on acquisition of subsidiary	(5)	-
Interest income	(66)	(51)
Interest expense	8,294	6,558
Property, plant and equipment written off	(4)	-
Unrealised forex loss/(gain) on foreign exchange	(6,605)	(5,604)
Share of results of associates	(2,719)	(1,428)
	<u>25,601</u>	<u>26,242</u>
Operating profit before working capital changes	25,601	26,242
Net change in current assets	(108,142)	12,362
Net change in current liabilities	113,379	(61,654)
Cash from/ (used in) operations	31,338	(23,050)
Tax paid	(5,024)	(1,611)
Tax refund	-	109
<b>Net cash generated from/ (used in) operating activities</b>	<u><b>26,314</b></u>	<u><b>(24,552)</b></u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of non-controlling interest	-	(1,150)
Acquisition of associates	(20)	-
Interest income received	66	51
Net cash outflow from acquisition of subsidiaries	(658)	(13,811)
Purchase of property, plant and equipment	(20,474)	(26,440)
Proceeds from disposal of property, plant and equipment	149	-
<b>Net cash used in investing activities</b>	<u><b>(20,937)</b></u>	<u><b>(41,350)</b></u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of shares	-	21,843
Proceed from exercise of warrant	-	-
Advances from directors	15	-
Net drawdown/ (repayment) of Tawarruq working capital financing-i	(64)	-
Drawdown / (repayment) of bank borrowings	2,375	45,407
Dividend paid	-	(1,764)
Repayment of leased liabilities	(2,526)	(2,481)
Repayment of vendor financing	(11,145)	(10,728)
Finance costs	(8,294)	(6,558)
Capital contribution from non-controlling interest of a subsidiary	1,600	4,871
<b>Net cash (used in)/generated from financing activities</b>	<u><b>(18,039)</b></u>	<u><b>50,590</b></u>
<b>Net decrease in cash and cash equivalents</b>	<u><b>(12,662)</b></u>	<u><b>(15,312)</b></u>
Cash and cash equivalents at beginning of the period	59,171	47,099
Effect of exchange rate changes on cash and cash equivalents held	(1,859)	23
<b>Cash and cash equivalents at end of the period</b>	<u><u><b>44,650</b></u></u>	<u><u><b>31,810</b></u></u>

Cash and cash equivalents at end of the period comprise :		
Fixed deposits	1,776	3,459
Cash and bank balances	45,194	28,351
Less : Bank overdraft	(555)	-
Fixed deposit pledged	(1,765)	-
	<u>44,650</u>	<u>31,810</u>

**Note :**

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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## STRAITS ENERGY RESOURCES BERHAD

(Company No.: 199601040053 (412406-T))

(Incorporated in Malaysia)

### QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023

#### A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 Interim Financial Reporting

##### A1 Basis of preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

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

##### A2 Significant accounting policies

The financial statements of the Group and of the company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

The Group of the company have also considered the new accounting pronouncements in the preparation of the financial statements.

#### Accounting pronouncements that are effective and adopted during the financial year

##### *Effective for financial periods beginning on or after 1 January 2023*

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9- Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and the company.

#### New MFRS, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”) issued but not yet effective and have not been early adopted

##### *Effective for financial periods beginning on or after 1 January 2024*

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendment to MFRS 101	Non current Liabilities with Covenants
Amendment to MFRS 107 and MFRS 7	Disclosure : Supplier Finance Arrangements

##### *Effective for financial periods beginning on or after 1 January 2025*

Amendments to MFRS 121	Lack of Exchangeability
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**A2 Significant accounting policies (cont'd)**

***Effective date to be announced***

Amendments to MFRS 10 and  
MFRS 128

Sale or Contribution of Assets between an Investor and its Associate  
Joint Venture

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial period. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon initial application.

**A3 Auditors report of preceding annual financial statements**

The audit report of the preceding annual financial statements was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The Group's interim operations are normally affected by the monsoon season and festive period in the first and fourth quarter of the year.

**A5 Unusual items**

During the current quarter under review, there were no items or events that arose, which will affect assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

**A6 Material changes in estimates**

There were no major changes in the estimate of amounts reported in prior interim periods of the current financial period or in the prior financial period that have had a material effect on the result in the quarter under review.

**A7 Debt and equity securities**

There were no major issuances, cancellations, repurchase, resale and repayment of debt and equity securities for the period under review.

**A8 Dividends**

There is no dividend proposed in the current quarter.

**A9 Segment information**

The Group's business has been segregated into the following core business segments:

Investment Holding and Management Services

This involves the investment in equity, shares and provision of management services.

Oil Bunkering and Shipping Related Services

This segment includes oil trading & bunkering services and its ancillary support services which is vessels management services, chartering services and shipping agency services.

- Oil trading & bunkering services involves the provision of refuelling marine gas oil and marine fuel oil through vessels to other ships and ocean faring vessels such as container vessels, cargo vessels and oil tankers. In essence, oil bunkering services entails the offering of marine logistics and marine supports services to companies mainly in the field of marine transportation and oil and gas industries.
- Vessels management services involves the provision of the vessel and marine management services.
- Chartering services involves vessels chartering services for oil trading & bunkering.
- Shipping agency services involves the provision of shipping agency and related services.

Inland Transportation & Logistics

This involves the provision of transportation services by land, mainly through tankers, trucks and/or lorries.

**A9 Segment information (cont'd)**

**Port Operation & Management**

This involves the provision of Labuan Port management services.

**Ship-to-Ship ("STS") Operation**

This involves the provision of STS operation.

**Telecommunication & Network Services**

This involves the provision of solutions, dealing with all kinds of products and services in telecommunication from infrastructure, networking, maintenance, software and hardware and related services.

**Segmental Revenue For Individual Quarter Ended 30 Sept 2023**

<b>Business Segments</b>	<b>External Revenue RM'000</b>	<b>Inter Segment Revenue RM'000</b>	<b>Adjustments &amp; Eliminations RM'000</b>	<b>Consolidated Revenue RM'000</b>
Investment Holding & Management Services	-	740	(740)	-
Oil Bunkering & Shipping Related Services	763,274	-	-	763,274
Inland Transportation & Logistics	1,697	-	-	1,697
Port Operation & Management	3,276	97	(97)	3,276
STS Operation	510	64	(64)	510
Telecommunication & Network Services	2,819	-	-	2,819
	<u>771,576</u>	<u>901</u>	<u>(901)</u>	<u>771,576</u>

**Segmental Revenue For Cumulative Quarter Ended 30 Sept 2023**

<b>Business Segments</b>	<b>External Revenue RM'000</b>	<b>Inter Segment Revenue RM'000</b>	<b>Adjustments &amp; Eliminations RM'000</b>	<b>Consolidated Revenue RM'000</b>
Investment Holding & Management Services	-	2,135	(2,135)	-
Oil Bunkering & Shipping Related Services	1,932,749	374	(374)	1,932,749
Inland Transportation & Logistics	4,645	-	-	4,645
Port Operation & Management	9,188	298	(298)	9,188
STS Operation	4,053	97	(97)	4,053
Telecommunication & Network Services	4,405	-	-	4,405
	<u>1,955,040</u>	<u>2,904</u>	<u>(2,904)</u>	<u>1,955,040</u>

**Segmental Revenue For Individual Quarter Ended 30 Sept 2022**

<b>Business Segments</b>	<b>External Revenue RM'000</b>	<b>Inter Segment Revenue RM'000</b>	<b>Adjustments &amp; Eliminations RM'000</b>	<b>Consolidated Revenue RM'000</b>
Investment Holding & Management Services	-	1,627	(1,627)	-
Oil Bunkering & Shipping Related Services	898,843	86	(86)	898,843
Inland Transportation & Logistics	1,632	-	-	1,632
Port Operation & Management	3,986	57	(57)	3,986
STS Operation	996	71	(71)	996
Telecommunication & Networking	884	-	-	884
	<u>906,341</u>	<u>1,841</u>	<u>(1,841)</u>	<u>906,341</u>

**Segmental Revenue For Cumulative Quarter Ended 30 Sept 2022**

<b>Business Segments</b>	<b>External Revenue RM'000</b>	<b>Inter Segment Revenue RM'000</b>	<b>Adjustments &amp; Eliminations RM'000</b>	<b>Consolidated Revenue RM'000</b>
Investment Holding & Management Services	-	2,830	(2,830)	-
Oil Bunkering & Shipping Related Services	2,359,784	1,283	(1,283)	2,359,784
Inland Transportation & Logistics	4,178	-	-	4,178
Port Operation & Management	9,310	153	(153)	9,310
STS Operation	1,252	71	(71)	1,252
Telecommunication & Networking	1,097	-	-	1,097
	<u>2,375,621</u>	<u>4,337</u>	<u>(4,337)</u>	<u>2,375,621</u>

**A9 Segment information (cont'd)****Segmental Profit Before Tax**

Business Segments	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Investment Holding & Management Services	239	591	(258)	(891)
Oil Bunkering & Shipping Related Services	175	4,223	13,025	17,575
Inland Transportation & Logistics	(219)	(683)	(747)	(1,585)
Port Operation & Management	298	1,073	(1,093)	667
STS Operation	(1,462)	241	(3,033)	(2,679)
Telecommunication & Network Services	(122)	(495)	(1,924)	(1,206)
Share of Result of Associates	1,292	(1,683)	2,719	1,428
Others	(36)	(18)	(134)	(75)
	<u>165</u>	<u>3,249</u>	<u>8,555</u>	<u>13,234</u>

**A10 Valuation of property, plant & equipment**

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have effect in the current quarter under review.

**A11 Subsequent material events**

There was no material event subsequent to the end of the quarter under review which is likely to substantially affect the results of the operations of the Group.

**A12 Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current financial quarter under review.

**A13 Contingencies**

There were no contingent liabilities or contingent assets arising since 31 December 2022.

**A14 Capital commitments**

Capital expenditures as at the date of this report but not recognised in the financial statements are as follows:

	Quarter Ended	Quarter Ended
	30 Sept 2023	30 Sept 2022
	RM'000	RM'000
Approved and contracted	<u>1,759</u>	<u>1,536</u>
Approved and not contracted	<u>-</u>	<u>-</u>

**A15 Significant related party transactions**

Save as disclosed below, there were no other significant related party transactions during the financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Shipping agency services	-	1,022	-	2,833
Launch boat services	-	50	-	163
Provision of fresh water	-	-	-	(23)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23)</u>

**A16 Profit before taxation**

Profit before tax is arrived at after charging / (crediting) the following items:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2023 RM'000	Quarter Ended 30 Sept 2022 RM'000	Period Ended 30 Sept 2023 RM'000	Period Ended 30 Sept 2022 RM'000
(a) Bad debt written off	-	550	-	552
(b) Depreciation & amortisation	6,717	4,696	19,039	13,620
(c) Deposit written off	-	-	-	2
(d) Finance costs	2,817	2,625	8,294	6,558
(e) Gain on disposal of property, plant and equipment	5	-	(66)	-
(f) Interest income	(8)	(10)	(66)	(51)
(g) Property, plant and equipment written off	118	-	118	-
(h) Reversal of property, plant and equipment written off in prior year	-	-	(122)	-
(i) (Reversal)/Impairment loss on receivables	-	289	(313)	867
(j) Foreign exchange (gain) / loss - unrealised	2,446	(1,322)	(6,605)	(5,604)
- realised	(1,492)	(3,637)	(1,109)	(5,902)

**STRAITS ENERGY RESOURCES BERHAD**  
(Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**

**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1 Review of performance**

The Group's revenue in the current quarter recorded a 14.87% drop of RM134.76 million to RM771.58 million from RM906.34 million in the corresponding quarter of the previous year. This was attributed by a drop of RM135.57 million in the revenue of Oil Bunkering & Shipping Related Services Segment as average global oil prices has dropped by approximately 18.88% although the cargo volume sold has increased by 12%. Despite a decline in revenue across other segments within the group, the Telecommunication & Network Services has recorded a substantial revenue increase by RM1.9 million, attributed to the commencement of work for projects in current quarter.

The operating profit in current quarter has decreased significantly by RM5.0 million to RM1.7 million from RM6.7 million in the corresponding quarter of the previous year. This was mainly attributed by loss on foreign exchange translation as the RM continue to weaken against the USD. Besides, the operating profit of STS operation has decreased significantly by RM1.3 million in the current quarter as compared to corresponding quarter of the previous year as it only managed to generate chartering revenue from its tugboats for the quarter.

The Group's profit before tax (PBT) has decreased by RM2.2 million to RM0.16 million from RM2.4 million in the corresponding quarter of the previous year. Aside from the above explanation on the drop in average global oil prices and the loss on foreign exchange translation in the current quarter, the group's borrowing interest rate has increased by 0.5% to 8.25 % from 7.75% in the corresponding quarter of the previous year. The decrease in PBT was mitigated by the turnaround in the share of associate's profit in this quarter as compared to losses reported in the corresponding quarter of the previous year where NASDAQ listing expenses was charged out. Overall, its share of result of associate has lowered as the Company's effective equity interest in CBLIL has been diluted from 38.0% to 32.3% when CBLIL was listed on NASDAQ on 23 March 2023.

Our associate company CBLIL which is listed on NASDAQ is only required to disclose and announce its results on a half yearly basis. As such, the share of results of associate in the current quarter was estimated based on the average share of profit of associate recognised in the Q3 and Q4 of the previous financial year.

**B2 Variation of results against preceding quarter**

	Current Quarter 30 Sept 2023 RM'000	Preceding Quarter 30 June 2023 RM'000	Changes	
			RM'000	%
Revenue	771,576	566,432	205,144	36.22
Profit Before Tax	165	7,298	(7,133)	(97.74)
Profit After Tax	158	4,672	(4,514)	(96.62)
Profit Attributable to Owners of the Parent	696	4,237	(3,541)	(83.57)

The revenue in the current quarter increased by RM205.2 million to RM771.6 million from RM566.4 million in the preceding quarter contributed substantially by the Oil Bunkering & Shipping Related Services Segment. It contributed an increase of RM203.9 million as a result of increase in both the cargo volume sold and average global oil prices by approximately 29% and 8% respectively since the preceding quarter. The Telecommunication & Network Segment also recorded an increase on its revenue by RM2.1 million compared to preceding quarter as a result of the commencement of work for the projects in current quarter.

**B2 Variation of results against preceding quarter (cont'd)**

The Group's PBT decreased by RM7.1 million to RM0.16 million from RM7.3 million in the preceding quarter substantially due to further weakening of the RM against USD. The group recorded an unrealised loss on foreign exchange translation in the current quarter of approximately RM1.0 million as compared to preceding quarter which recorded an unrealised exchange gain on foreign exchange translation of approximately RM7.0 million. The preceding quarter recorded a higher profit before tax which is attributed by the unrealised foreign exchange gain under recognition in its previous quarter.

**B3 Group's prospects**

The Telecommunication and Network Services Segment is seeing promising and progressive growth in line with further 4G/5G rollout and the enhanced digitalization across many business segments. The Group had announced the acceptance of two major letter of awards of RM71.56 million awarded by Teras Khidmat Niaga Sdn Bhd and RM27.74 million awarded by Tianu Sdn Bhd in October 2023 for this segment. There is excellent traction in this segment and the Group is positive on the strong growth prospects for 2024 and 2025 moving forward.

**B4 Profit forecast and profit guarantee**

The Group has not provided any profit forecast or profit guarantee in any public document.

**B6 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2023 RM'000	Quarter Ended 30 Sept 2022 RM'000	Period Ended 30 Sept 2023 RM'000	Period Ended 30 Sept 2022 RM'000
<b>Income tax</b>				
Current tax	(148)	928	2,529	3,572
Under provision in prior year	93	393	93	765
	<u>(55)</u>	<u>1,321</u>	<u>2,622</u>	<u>4,337</u>
<b>Deferred tax</b>				
Origination of temporary differences	-	(5)	-	(5)
	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>(5)</u>
Tax on share of associate's profit	62	79	573	654
	<u>7</u>	<u>1,395</u>	<u>3,195</u>	<u>4,986</u>

The Group's higher effective tax rate for the quarter was mainly due to non-allowable expenses incurred and provision for taxation for inter-company transactions.

**B7 Unquoted investments and properties**

There was no acquisition or disposal of unquoted investment and properties during the financial period under review.

**B8 Quoted and marketable securities**

The Group does not hold any quoted or marketable securities as of 30 June 2023. There was no purchase or disposal of quoted securities for the current quarter.

## B9 Corporate Exercise

On 20 October, 2023, the Company had announced to undertake a private placement of up to 10% of the total number of issued shares of Straits to third party investor(s) to be identified later, at an issued price to be determined and announced later.

On 6 November 2023, the Company had submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") an application for a Private Placement of up to 94,214,279 new ordinary shares of Straits to third party investor(s) to be identified later, representing up to 10% of the total number of issued shares of Straits, to raise funds to finance expansion and growth of telecommunication and network services segment and to finance its working capital. Bursa Securities had on 20 November 2023 resolved to approve the listing and quotation of these new shares.

## B10 Group borrowings and debt securities

	Quarter Ended 30 Sept 2023 RM'000	Quarter Ended 30 Sept 2022 RM'000
<b>CURRENT</b>		
<b>Secured</b>		
Leased liabilities	3,987	1,977
Term loan	658	3,223
Tawarruq financing	111,524	111,567
	<u>116,169</u>	<u>116,767</u>
<b>Unsecured</b>		
Leased liabilities	2,130	1,399
	<u>2,130</u>	<u>1,399</u>
	<u>118,299</u>	<u>118,166</u>
<b>NON-CURRENT</b>		
<b>Secured</b>		
Leased liabilities	7,819	3,896
Term loan	4,379	2,224
	<u>12,198</u>	<u>6,120</u>
<b>Unsecured</b>		
Leased liabilities	2,399	3,102
	<u>14,597</u>	<u>9,222</u>
	<u>132,896</u>	<u>127,388</u>

The lease liabilities of the Group bears an interest rate of between 4.20% to 8.68% (2022: 4.20% to 8.68%) per annum.

The term loan of the Group bears an interest rate of between 1.20% to 6.24% (2022: 1.20% to 6.24%) per annum.

The Tawarruq financing the Group bears an interest at rate of 8.25% (2022: 7.00% to 8.00%) per annum.

## B12 Material litigation / arbitration

Arbitration proceedings between ING Bank N.V ("ING" or "First Claimant"), O.W. Bunker Far East (Singapore) Pte Ltd ("OWBFE" or "Second Claimant"), collectively referred to as the "Claimants" and Tumpuan Megah Development Sdn Bhd ("TMD" or the "Respondent").

The Claimants alleged that on 19 December 2013, a series of financing agreements were entered to between O.W. Bunker & Trading A/S ("OWBAS"), together with certain subsidiary companies (including OWBFE) and a syndicate of banks and ING (in its capacity as a security agent under a revolving borrowing base facilities agreement). As part of that transaction, ING entered into an English Law Omnibus Security Agreement dated 19 December 2013 ("OSA") with OWBAS and certain of its subsidiaries (including OWBFE) to assign to ING certain trade and intercompany

receivables, insurances and brokerage accounts. The Claimants further alleged that pursuant to the aforesaid, notice of assignment of supply receivables was given to TMD.

## **B12 Material litigation / arbitration (cont'd)**

The Claimants also alleged that on or about 17 October 2014 and 29 October 2014, TMD and OWBFE entered into contracts both made orally or by yahoo messenger evidenced by a nomination sheet, invoice and sales order confirmation whereby OWBFE agreed in the ordinary course of business to supply and/ or sell to TMD 423.73 MT of gas oil at a price of USD753 per MT for delivery at the port of Pasir Gudang and 794.915 MT of gas oil at a price of USD775.50 per MT for delivery at the port of Kuantan respectively.

On 14 April 2021, TMD received a sealed Order dated 22 March 2021 and undated Notice of Registration of Foreign Judgement and this represents an attempt by the Claimants to enforce an English Judgment for USD937,353.24 with interest and cost of which TMD has disputed jurisdiction. Accordingly, TMD is taking steps to strenuously resist this attempt to enforce an invalid arbitration award issued without jurisdiction and TMD's solicitors had on 27 April 2021 filed an application to the High Court of Malaya, Kuala Lumpur to set aside the earlier mentioned sealed Order and undated Notice of Registration of Foreign Judgement.

The High Court Judge dismissed the application for issues to be tried and TMD has since filed an Appeal against this decision. TMD has also since applied to stay the proceedings pending disposal of the Appeal and the application for stay of proceedings was fixed for case management on 26 January 2022.

The hearing for stay of Setting Aside Application pending the Appeal was held and stay was granted. The record of Appeal was duly filed on 18 March 2022 and Case Management for the Appeal was earlier fixed for 2 June 2022 to update the filing of Grounds of Judgement and Notes of Proceedings, if made available.

Pursuant to the above, Case Management Conference for the Appeal was held on 11 August 2022, 21 October 2022, 20 December 2022, 20 January 2023 and 23 March 2023 respectively.

On 6 April 2023, the hearing of TMD's application to adduce further evidence in the Appeal took place and the application was allowed.

The Case Management Conference and hearing of the Appeal was fixed on 3 July 2023 and 13 July 2023 respectively.

Subsequently, the new hearing date for the Appeal has been fixed on 17 November 2023.

On 20 November 2023, TMD's solicitor had informed that pursuant to an appeal for a trial to determine the four (4) issues between TMD and ING Bank/OWB in aid of TMD's application to set aside the registration of the UK Judgement in Malaysia ("Application for Trial"); the Court of Appeal had decided to allow the appeal on the following brief grounds:-

- (i) Recognized the availability of the passive remedy to TMD to raise the issue of the UK Tribunal's lack of jurisdiction for the first time at the enforcing court outside the UK. It was further held that the issue of jurisdiction should be decided by the High Court independently from the UK Tribunal's finding.
- (ii) The Court of Appeal also found that the High Court judge proceeded to decide on the merits of ING Bank / OWB's application to register UK Judgment in Malaysia. As such, it was ordered that the matter will be remitted to the High Court before a different High Court Judge.
- (iii) Cost in the sum of RM 15,000.00 (subject to 4% allocatur) was awarded to TMD.

The matter will now proceed for trial at the High Court within the parameters of the 4 issues of the Application for Trial and that the case management at the High Court is scheduled on 5 December 2023.

Notwithstanding the ongoing arbitration which commenced on 2 May 2017, the Vendor (Raja Ismail Bin Raja Mohamed) via an irrevocable Personal Guarantee dated 30 April 2020 had undertaken to indemnify the Company against the liabilities of TMD arising from the arbitration and shall promptly pay such liabilities upon receipt of a payment demand from the Company and accordingly, no provisions have been made in the financial statements.



As of the date of this report, the Group has no material litigation which will materially and adversely affect the position or business of the Group.

**B13 Dividends**

There is no dividend proposed in the current quarter.

**B14 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2023	Quarter Ended 30 Sept 2022	Period Ended 30 Sept 2023	Period Ended 30 Sept 2022
Profit after tax attributable to the owners of the Parent (RM'000)	696	227	5,238	5,839
<b>Basic Earnings Per Share</b>				
Weighted Average Number of Ordinary Shares in Issue ('000)	942,143	882,556	932,197	865,100
Basic Earnings Per Share (sen)	<u>0.07</u>	<u>0.03</u>	<u>0.56</u>	<u>0.67</u>

Basic earnings per share are calculated by dividing the profit after tax attributable to the owners of the Parent by the weighted average number of shares in issue during the period/year.

**Diluted Earnings Per Share**

Weighted Average Number of Ordinary Shares in Issue ('000)	N/A	N/A	N/A	N/A
Diluted Earnings Per Share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Diluted earnings per share are calculated by dividing the net profit attributable to the owners of the Parent by the weighted average number of ordinary shares in issue during the period/year after taking into consideration of all dilutive potential ordinary shares.

**B15 Comparative Figures**

Certain comparative figures have been reclassified to conform with current quarter's presentation.

**B16 Authorisation for Issue**

The unaudited condensed consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 November 2023.

**By Order of the Board**

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Dato' Sri Ho Kam Choy  
Group Managing Director  
Kuala Lumpur  
Date : 29 November 2023