



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Second Quarter ended 30 June 2018 (Unaudited)**

	Current Quarter Ended 30-Jun-18 RM'000	Corresponding Quarter Ended 30-Jun-17 RM'000	Cumulative Year To Date 30-Jun-18 RM'000	Corresponding Year To Date 30-Jun-17 RM'000
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Revenue	221,278	191,017	370,060	308,927
Operating expenses	(139,676)	(112,446)	(251,545)	(210,062)
<b>Gross profit</b>	<b>81,602</b>	<b>78,571</b>	<b>118,515</b>	<b>98,865</b>
Other income	8,788	3,043	10,868	3,124
Administration expenses	(21,415)	(23,585)	(42,495)	(46,245)
Other operating income/(expenses)	15,505	(70,176)	(16,425)	(81,596)
<b>Results from operating activities</b>	<b>84,480</b>	<b>(12,147)</b>	<b>70,463</b>	<b>(25,852)</b>
Finance costs	(28,955)	(25,842)	(52,289)	(51,144)
Finance income	1,509	2,391	2,881	4,645
<b>Net finance costs</b>	<b>(27,446)</b>	<b>(23,451)</b>	<b>(49,408)</b>	<b>(46,499)</b>
<b>Profit/(loss) before tax</b>	<b>57,034</b>	<b>(35,598)</b>	<b>21,055</b>	<b>(72,351)</b>
Income tax expense	(13,993)	(14,163)	(25,663)	(20,904)
<b>Profit/(loss) for the period</b>	<b>43,041</b>	<b>(49,761)</b>	<b>(4,608)</b>	<b>(93,255)</b>

**Other comprehensive income/(expense), net of tax**

Foreign currency translation	19,246	(20,900)	(4,000)	(29,953)
Cash flow hedge	(36)	(42)	(73)	20
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>19,210</b>	<b>(20,942)</b>	<b>(4,073)</b>	<b>(29,933)</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>62,251</b>	<b>(70,703)</b>	<b>(8,681)</b>	<b>(123,188)</b>

**Profit/(loss) for the period**

Attributable to:				
Owners of the Company	38,853	(48,098)	17,744	(90,803)
Non-controlling interest	4,188	(1,663)	(22,352)	(2,452)
	<b>43,041</b>	<b>(49,761)</b>	<b>(4,608)</b>	<b>(93,255)</b>

**Total comprehensive income/(expense) for the period**

Attributable to:				
Owners of the Company	97,794	(69,215)	15,281	(120,142)
Non-controlling interest	(35,543)	(1,488)	(23,962)	(3,046)
	<b>62,251</b>	<b>(70,703)</b>	<b>(8,681)</b>	<b>(123,188)</b>

Weighted average number of ordinary shares in issue ('000)	964,810	939,750	964,810	908,598
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Basic earnings/(loss) per ordinary share (sen)	4.03	(5.12)	1.84	(9.99)
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(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Financial Position  
As at 30 June 2018 (Unaudited)**

	<b>UNAUDITED AS AT 30-Jun-18 RM'000</b>	<b>AUDITED AS AT 31-Dec-17 RM'000</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,408,703	1,510,658
Prepaid lease payments	9,570	9,755
Intangible assets	6,245	12,490
Deposit	45,577	45,291
Goodwill	653,627	653,627
Deferred tax asset	23,236	23,236
Derivative assets	159	233
<b>TOTAL NON CURRENT ASSETS</b>	<b>2,147,117</b>	<b>2,255,290</b>
<b>CURRENT ASSETS</b>		
Inventories	5,893	6,056
Trade and other receivables	289,172	198,312
Other investments	1,569	1,543
Deposits and prepayments	13,627	13,627
Current tax assets	5,978	7,485
Cash and cash equivalents	68,766	222,307
<b>TOTAL CURRENT ASSETS</b>	<b>385,005</b>	<b>449,330</b>
<b>TOTAL ASSETS</b>	<b>2,532,122</b>	<b>2,704,620</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	672,988	672,988
Reserves	302,133	286,852
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>975,121</b>	<b>959,840</b>
<b>NON-CONTROLLING INTEREST</b>	<b>166,125</b>	<b>190,087</b>
<b>TOTAL EQUITY</b>	<b>1,141,246</b>	<b>1,149,927</b>
<b>NON CURRENT LIABILITIES</b>		
Loans and borrowings	85,038	149,474
Deferred tax liabilities	70,935	70,935
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>155,973</b>	<b>220,409</b>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	1,033,404	1,131,274
Trade and other payables	182,131	195,448
Current tax liabilities	19,368	7,562
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,234,903</b>	<b>1,334,284</b>
<b>TOTAL LIABILITIES</b>	<b>1,390,876</b>	<b>1,554,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,532,122</b>	<b>2,704,620</b>
Net assets per share (sen)	101	99

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity  
For the Second Quarter ended 30 June 2018 (Unaudited)**

	Attributable to the Owners of the Company				Total	Non-controlling interest	Total Equity
	Non-Distributable		Distributable				
	Share Capital	Share Premium	Other reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2017</b>	<b>438,550</b>	<b>146,686</b>	<b>114,270</b>	<b>570,924</b>	<b>1,270,430</b>	<b>7,763</b>	<b>1,278,193</b>
Transfer in accordance with Section 618(2) of the Companies Act 2016 (Note A8)	146,686	(146,686)	-	-	-	-	-
Loss for the period	-	-	-	(144,891)	(144,891)	(8,291)	(153,182)
Foreign currency translation differences for foreign operations	-	-	(60,461)	-	(60,461)	(2,418)	(62,879)
Cash flow hedge	-	-	38	-	38	5	43
Total comprehensive expense for the period	-	-	(60,423)	(144,891)	(205,314)	(10,704)	(216,018)
Issuance of ordinary shares under private placements (net of placement issue expenses)	87,752	-	-	-	87,752	-	87,752
Dividend-in-specie to owners of the Company	-	-	-	(452,955)	(452,955)	-	(452,955)
Changes in ownership interest in a subsidiary	-	-	-	259,927	259,927	193,028	452,955
<b>At 31 December 2017</b>	<b>672,988</b>	<b>-</b>	<b>53,847</b>	<b>233,005</b>	<b>959,840</b>	<b>190,087</b>	<b>1,149,927</b>



**Condensed Consolidated Statement of Changes in Equity (Cont'd)**  
**For the Second Quarter ended 30 June 2018 (Unaudited)**

	Attributable to the Owners of the Company				Non-controlling interest	Total Equity
	Non-Distributable		Distributable	Total		
	Share Capital	Other reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2018</b>	<b>672,988</b>	<b>53,847</b>	<b>233,005</b>	<b>959,840</b>	<b>190,087</b>	<b>1,149,927</b>
Loss for the period	-	-	17,744	17,744	(22,352)	(4,608)
Foreign currency translation differences for foreign operations	-	(2,419)	-	(2,419)	(1,581)	(4,000)
Cash flow hedge	-	(44)	-	(44)	(29)	(73)
Total comprehensive expense for the period	-	(2,463)	17,744	15,281	(23,962)	(8,681)
<b>At 30 June 2018</b>	<b>672,988</b>	<b>51,384</b>	<b>250,749</b>	<b>975,121</b>	<b>166,125</b>	<b>1,141,246</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Cash Flows**  
**For the Second Quarter ended 30 June 2018 (Unaudited)**

	Current period-to-date (unaudited) 30-Jun-18 RM'000	Corresponding period-to-date (unaudited) 30-Jun-17 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	21,055	(72,351)
Adjustments for:-		
- Non-cash items	77,720	147,603
- Non-operating items	49,384	46,559
Operating profit before changes in working capital	148,159	121,811
<u>Changes in working capital</u>		
Inventories	162	296
Trade and other receivables	(52,045)	(7,441)
Trade and other payables	(21,080)	(56,565)
Total changes in working capital	(72,963)	(63,710)
<b>Cash generated from operations</b>	<b>75,196</b>	<b>58,101</b>
Interest received	2,340	4,585
Interest paid	(5,121)	(186)
Tax paid	(14,881)	(12,555)
Total interest and tax paid	(17,662)	(8,156)
<b>Net cash generated from operating activities</b>	<b>57,534</b>	<b>49,945</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Withdrawal/(Placement) of fixed deposits	49,632	51,118
Acquisition of property, plant and equipment	(10,598)	(2,856)
<b>Net cash generated in investing activities</b>	<b>39,034</b>	<b>48,262</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from private placement of shares	-	87,752
Proceeds from borrowings	-	20,000
Repayment of borrowings	(157,903)	(161,637)
Payments of finance lease liabilities	(6,321)	(6,257)
Term loan interest paid	(24,724)	(28,910)
Coupon paid	(12,879)	(14,842)
<b>Net cash used in financing activities</b>	<b>(201,827)</b>	<b>(103,894)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(105,259)</b>	<b>(5,687)</b>
<b>Effect of foreign exchange translation</b>	<b>3,061</b>	<b>20,527</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>164,901</b>	<b>234,487</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>62,703</b>	<b>249,327</b>
<b>Breakdown of cash and cash equivalents at the end of the period:-</b>		
Short term deposits	56,695	235,080
Cash and bank balances	12,071	21,057
	<b>68,766</b>	<b>256,137</b>
Less: Deposits pledged as security	(6,063)	(6,810)
Cash and cash equivalents	62,703	249,327

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report).



## A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

### A1. Basis of reporting preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (MFRS134), *Interim Financial Reporting* and with IAS 34, *Interim Financial Reporting* and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

### A2. Changes in Accounting policies

#### A2.1 Adoption of Accounting Standards, Amendments and Interpretations

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017, except for the adoption of the following Accounting Standards, Amendments and Interpretations from 1 January 2018:

<b>MFRS/ Amendment/ Interpretation</b>	<b>Effective date</b>
MFRS 9, <i>Financial Instruments</i> (2014)	1 January 2018
MFRS 15, <i>Revenue from Contracts with Customers</i> Clarifications to MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
IC Interpretation 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 2, <i>Share-based payment- Classification and Measurement of Share-based Payment Transaction</i>	1 January 2018
Amendments to MFRS 4, <i>insurance Contracts-Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 128, <i>Investments in Associates and Joint Venture (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 140, <i>Investment Property – Transfers of Investment Property</i>	1 January 2018

The adoption of the above Accounting Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group and the Company.

**A2. Changes in Accounting policies (Cont'd)****A2.2 Accounting Standards, Amendments and Interpretations issued but not yet effective**

<b>MFRS/ Amendment/ Interpretation</b>	<b>Effective date</b>
MFRS 16, <i>Leases</i>	1 January 2019
IC Interpretation 23, <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3, <i>Business Combinations</i> ( <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i> )	1 January 2019
Amendments to MFRS 9, <i>Financial Instruments – Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11, <i>Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 112, <i>Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 123, <i>Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 128, <i>Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 119, <i>Employee Benefits-Plan Amendment, Curtailment or Settlement</i>	1 January 2019
MFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

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**A2. Changes in Accounting policies (Cont'd)**

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

The Group and the Company plan to apply:

- from the annual period beginning on 1 January 2019, those accounting standards, amendments or interpretations that are effective for annual period beginning on or after 1 January 2019, except for Amendments to MFRS 11 and Amendments to MFRS 128, which are assessed as presently not applicable to the Group.
- from the annual period beginning 1 January 2021 for MFRS 17, which is assessed as presently not applicable to the Group.

The initial application of the above accounting standards, amendments or interpretations is not expected to have any material financial impacts on the financial statements of the Group for the current and prior periods except as mentioned below:

(i) MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 15, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transaction Involving the Legal Form of a Lease*.

The adoption of MFRS 16 will result in a change in accounting policies. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

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**A2. Changes in Accounting policies (Cont'd)****A2.3 MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

***Impairment of financial assets-trade receivables***

The Group considers the model and assumption used in calculating the Expected Credit Loss (“ECL”) as key sources of estimation uncertainty and has elected to measure loss allowances for trade receivable at an amount equal to lifetime ECLs. This ECL method takes into account all possible default events over the expected life of a financial instrument.

The Group’s credit exposures are based on common credit risk characteristics which includes but not limited to the trade receivables’ ageing profile, delinquency status, geographic region, and age of relationship. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due and considers a financial asset to be in default when the trade receivable is unlikely to pay its credit obligations to the Group in full.

Based on the current assessment, the Group has determined that the application of MFRS 9 at 1 January 2018 does not have any material financial impacts in the current quarter ended 30 June 2018. An impairment allowance of RM0.3 million has been accounted for as a specific provision for impairment loss in the current period ended 30 June 2018.

**A2.4 MFRS 15, *Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue Barter Transactions Involving Advertising Services*.

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**A2. Changes in Accounting policies (Cont'd)****A2.4 MFRS 15, Revenue from Contracts with Customers (Cont'd)**

The details of the new significant accounting policies and the nature of the changes to the previous accounting policies in relation to Group's various services are set out below.

Type of services	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
Schedule of rates	Revenue is recognised when the performance obligations are satisfied over time. Invoices are issued at month end and payable within 30 to 60 days.	MFRS 15 did not have a significant impact on the Group's accounting policies.
Lump sum	Revenue is recognised when the performance obligations are satisfied over time. Invoices are issued at month end and payable within 30 to 60 days.	MFRS 15 did not have a significant impact on the Group's accounting policies.
Cost plus	Revenue is recognised at the point of time when the goods are delivered. Invoices are generated at month end and payable within 30 to 60 days	MFRS 15 did not have a significant impact on the Group's accounting policies.
Chartering of vessels	Revenue is recognised when the performance obligations are satisfied over time. Invoices are issued at month end and payable within 30 to 60 days.	MFRS 15 did not have a significant impact on the Group's accounting policies.
Mobilisation and demobilisation	Revenue is recognised at the point of time when the service is provided. Invoices are generated at month end and payable within 30 to 60 days	MFRS 15 did not have a significant impact on the Group's accounting policies.
Rental	Revenue is recognised over time as the service is provided. Invoices are issued on monthly basis and payable within 30 to 60 days	MFRS 15 did not have a significant impact on the Group's accounting policies.
Management fees	Revenue is recognised over time as the service is provided. Invoices are issued on monthly basis and payable within 30 to 60 days	MFRS 15 did not have a significant impact on the Group's accounting policies.
Others	Revenue is recognised at the point of time when the service is provided. Invoices are generated at month end and payable within 30 to 60 days	MFRS 15 did not have a significant impact on the Group's accounting policies.

**A3. Auditors' report**

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

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

	Current quarter ended (unaudited) 30-Jun-18 RM'000	Corresponding quarter ended (unaudited) 30-Jun-17 RM'000	Current period-to-date (unaudited) 30-Jun-18 RM'000	Corresponding period-to-date (unaudited) 30-Jun-17 RM'000	Preceding quarter ended 31-Mar-18 RM'000
<b>Loss for the period is arrived at after charging/(crediting):</b>					
<b><u>Other (income)/ expenses</u></b>					
Amortisation of intangible assets	3,122	3,318	6,245	6,636	3,123
Impairment loss on property, plant and equipment	7,092	50,382	7,092	50,382	-
Allowance for impairment loss on receivables	-	-	297	-	297
Realised (gain)/ loss on foreign exchange	(988)	363	(1,895)	2,433	(907)
Unrealised loss/(gain) on foreign exchange	(24,731)	16,113	4,686	22,145	29,417
Total other (income)/expenses	(15,505)	70,176	16,425	81,596	31,929
Depreciation of property, plant and equipment	29,929	33,794	59,401	68,463	29,472

Save for the above, there were no allowance for write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and material exceptional items that are included in the profit of the Group for the current quarter ended 30 June 2018.

**A5. Seasonal or cyclical factors**

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



**A6. Items of unusual nature and amount**

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

During the current quarter and financial period-to-date , the other expenses comprise of amortization expenses on intangible assets of RM3.1 million and RM6.2 million, impairment loss of RM7.1 million and RM7.1 million, unrealised foreign exchange gain of RM24.7 million and unrealised foreign exchange loss of RM4.7 million and realised foreign exchange gain of RM1.0 million and RM1.9 million respectively whereas the other comprehensive expenses arising from foreign currency translation gain of RM19.2 million and foreign currency translation losses of RM4.0 million.

**A7. Material changes in estimates**

There were no changes in the estimates of amounts reported in the current quarter and financial period to-date.

**A8. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

In accordance with Section 618 of the Companies Act 2016, any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital. The Company has 24 months upon the commencement of the Companies Act 2016 on 31 January 2017 to utilize the credit.

**A9. Dividend**

No dividend has been declared or paid during the current quarter ended 30 June 2018.

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**A10. Segmental information**

The Group is organized into the following operating segments:-

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

**A10.1 Business Segment**

<b>Current quarter ended 30 June 2018</b>	<b>Investment Holding RM'000</b>	<b>Offshore TMS RM'000</b>	<b>Marine Charter RM'000</b>	<b>Equipment Rental RM'000</b>	<b>Total RM'000</b>	<b>Adjustments RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External revenue	-	201,496	19,782	-	221,278	-	221,278
Inter-segment revenue	1,259	-	51,093	5,737	58,089	(58,089)	-
Total revenue	1,259	201,496	70,875	5,737	279,367	(58,089)	221,278
<b>Results</b>							
Segment results	73	58,771	26,725	2,033	87,602	(3,122)	84,480
Finance costs	(9,485)	(4,558)	(14,912)	-	(28,955)	-	(28,955)
Finance income	128	346	980	55	1,509	-	1,509
Loss before tax	<b>(9,284)</b>	<b>54,559</b>	<b>12,793</b>	<b>2,088</b>	<b>60,156</b>	<b>(3,122)</b>	<b>57,034</b>
Income tax expense							(13,993)
Loss after tax							<b>43,041</b>

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

<b>Corresponding quarter ended 30 June 2017</b>	<b>Investment Holding RM'000</b>	<b>Offshore TMS RM'000</b>	<b>Marine Charter RM'000</b>	<b>Equipment Rental RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External revenue	-	169,868	21,149	-	191,017	-	191,017
Inter-segment revenue	1,249	-	32,999	4,682	38,930	(38,930)	-
Total revenue	1,249	169,868	54,148	4,682	229,947	(38,930)	191,017
<b>Results</b>							
Segment results	34	57,134	(66,487)	490	(8,829)	(3,318)	(12,147)
Finance costs	(10,452)	429	(15,819)	-	(25,842)	-	(25,842)
Finance income	407	896	1,023	65	2,391	-	2,391
Profit before tax	<b>(10,011)</b>	<b>58,459</b>	<b>(81,283)</b>	<b>555</b>	<b>(32,280)</b>	<b>(3,318)</b>	<b>(35,598)</b>
Income tax expense							(14,163)
Profit after tax							<b>(49,761)</b>

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

<b>Current 6 months ended 30 June 2018</b>	<b>Investment Holding RM'000</b>	<b>Offshore TMS RM'000</b>	<b>Marine Charter RM'000</b>	<b>Equipment Rental RM'000</b>	<b>Total RM'000</b>	<b>Adjustments RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External revenue	-	338,956	31,104	-	370,060	-	370,060
Inter-segment revenue	2,518	-	68,253	8,478	79,249	(79,249)	-
Total revenue	2,518	338,956	99,357	8,478	449,309	(79,249)	370,060
<b>Results</b>							
Segment results	246	102,041	(27,017)	1,438	76,708	(6,245)	70,463
Finance costs	(17,339)	(5,121)	(29,829)	-	(52,289)	-	(52,289)
Finance income	270	892	1,628	91	2,881	-	2,881
Loss before tax	<b>(16,823)</b>	<b>97,812</b>	<b>(55,218)</b>	<b>1,529</b>	<b>27,300</b>	<b>(6,245)</b>	<b>21,055</b>
Income tax expense							<b>(25,663)</b>
Loss after tax							<b>(4,608)</b>

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**A10. Segmental information (cont'd)****A10.1 Business segment (cont'd)**

<b>Corresponding 6 months ended 30 June 2017</b>	<b>Investment Holding RM'000</b>	<b>Offshore TMS RM'000</b>	<b>Marine Charter RM'000</b>	<b>Equipment Rental RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External revenue	-	275,198	33,729	-	308,927	-	308,927
Inter-segment revenue	2,514	-	47,670	7,065	57,249	(57,249)	-
Total revenue	2,514	275,198	81,399	7,065	366,176	(57,249)	308,927
<b>Results</b>							
Segment results	(70)	83,505	(101,216)	(1,435)	(19,216)	(6,636)	(25,852)
Finance costs	(18,912)	(187)	(32,045)	-	(51,144)	-	(51,144)
Finance income	609	2,190	1,719	127	4,645	-	4,645
Profit before tax	<b>(18,373)</b>	<b>85,508</b>	<b>(131,542)</b>	<b>(1,308)</b>	<b>(65,715)</b>	<b>(6,636)</b>	<b>(72,351)</b>
Income tax expense							(20,904)
Profit after tax							<b>(93,255)</b>

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

As at 30 June 2018	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	842,562	533,853	1,481,033	55,848	2,913,296	(410,388)	2,502,908
Deferred tax assets	-	-	23,236	-	23,236	-	23,236
Current tax assets	-	-	4,686	1,292	5,978	-	5,978
<b>Total assets</b>	<b>842,562</b>	<b>533,853</b>	<b>1,508,955</b>	<b>57,140</b>	<b>2,942,510</b>	<b>(410,388)</b>	<b>2,532,122</b>
Segment liabilities	222,479	4,965	740,556	13,333	981,333	319,240	1,300,573
Deferred tax liabilities	-	3,769	56,323	950	61,042	9,893	70,935
Current tax liabilities	542	15,478	-	-	16,020	3,348	19,368
<b>Total liabilities</b>	<b>223,021</b>	<b>24,212</b>	<b>796,879</b>	<b>14,283</b>	<b>1,058,395</b>	<b>332,481</b>	<b>1,390,876</b>

As at 30 June 2017	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	1,187,953	514,883	1,775,959	52,803	3,531,598	(644,353)	2,887,245
Deferred tax assets	-	-	15,143	(1,253)	13,890	-	13,890
Current tax assets	-	-	7,696	-	7,696	-	7,696
<b>Total assets</b>	<b>1,187,953</b>	<b>514,883</b>	<b>1,798,798</b>	<b>51,550</b>	<b>3,553,184</b>	<b>(644,353)</b>	<b>2,908,831</b>
Segment liabilities	573,287	97,695	883,338	11,184	1,565,504	66,089	1,631,593
Deferred tax liabilities	-	4,727	3,125	-	7,852	9,524	17,376
Current tax liabilities	(2)	16,959	(2,403)	(797)	13,757	3,348	17,105
<b>Total liabilities</b>	<b>573,285</b>	<b>119,381</b>	<b>884,060</b>	<b>10,387</b>	<b>1,587,113</b>	<b>78,961</b>	<b>1,666,074</b>

**A11. Disaggregation of Revenue**

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers, except for immaterial amounts related to hedge accounting.

The nature and effect of initially applying MFRS 15 on the Group's interim financial statements are disclosed in note A2.4. In the following table, revenue is disaggregated by type of services within the Group's operating segments.

	<b>Current quarter ended (unaudited) 30-Jun-18 RM'000</b>	<b>Corresponding quarter ended (unaudited) 30-Jun-17 RM'000</b>	<b>Current period-to-date (unaudited) 30-Jun-18 RM'000</b>	<b>Corresponding period-to-date (unaudited) 30-Jun-17 RM'000</b>
<b>Type of services</b>				
<b>Topside maintenance services</b>				
Schedule of rates	120,075	113,228	245,036	210,767
Lump sum	81,421	56,640	93,920	64,431
<b>Marine offshore support services</b>				
Chartered vessel income	19,782	21,149	31,104	33,729
	<u>221,278</u>	<u>191,017</u>	<u>370,060</u>	<u>308,927</u>
<b>Timing of revenue recognition</b>				
<b>Services transferred over time</b>				
<b>Topside maintenance services</b>				
Schedule of rates	120,075	113,228	245,036	210,767
Lump sum	81,421	56,640	93,920	64,431
<b>Marine offshore support services</b>				
Chartered vessel income	19,782	21,149	31,104	33,729
	<u>221,278</u>	<u>191,017</u>	<u>370,060</u>	<u>308,927</u>

**A12. Valuation of goodwill**

Under MFRS 136, *Impairment of Assets* the Group is required to annually carry out impairment test on the cash generated units ("CGUs"), of which goodwill is allocated. For the purpose of impairment testing, goodwill is allocated to the Group's operating activities (i.e. marine charter) which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

MFRS 136 states that the annual impairment test for the following items may be performed at any time within an annual reporting period, provided that the test is performed at the same time every year. The Group reassessed the valuation of its CGUs as at 30 September 2017 to determine whether there is any indication that its CGUs may be impaired.

The Group has adopted value-in-use ("VIU") estimations which entail discounting the estimated future cash flows from the continuing use of the CGUs. The recoverable amounts were compared against the carrying amounts of the CGUs. During the current quarter ended 30 June 2018 there was no impairment provided.

**A13. Valuation of property, plant and equipment (“PPE”)**

The Group reassessed its assets (except for inventories, deferred tax assets and financial assets) as at 31 March 2018 to determine whether there is any indication that its assets may be further impaired or recovered.

The Group has adopted value-in-use (“VIU”) estimations which entail discounting the estimated future cash flows from the continuing use of PPE. The recoverable amounts were compared against the carrying amounts of the PPE.

For the current financial quarter ended 30 June 2018, the Group has made an additional allowance for impairment loss on PPE of USD1.7 million (equivalent to RM7.1 million). The Group’s accumulated impairment loss has been increased from RM7.6 million as at 31 December 2017 to RM14.7 million as at 30 June 2018.

Depending on the Debt Restructuring Scheme that is to be finalized with CDRC and acceptable by Perdana Petroleum Bhd’s (“PPB”) lenders (see Note B8 (ii)), there may be a need to write down the Group’s non-financial assets (including PPE but excluding inventories and deferred tax assets) to market value, if lower than their carrying amount. As PPB is still exploring the various debt restructuring options, it is unable to provide further details at this stage.

**A14. Capital commitments**

As at 30 June 2018, the Group has no outstanding or additional capital commitments which are approved and/or contracted for.

**A15. Material events subsequent to the end of year reported**

There were no material events subsequent to the current financial quarter ended 30 June 2018 up to 17 August 2018 (not earlier than 7 days from the date of announcement of this interim financial report) that have not been reflected in the financial statements for the current quarter.

**A16. Changes in composition of the group**

There were no changes in the composition of the Group for the current quarter ended 30 June 2018.

**A17. Contingent Liabilities**

There were no contingent liabilities outstanding as at 30 June 2018:

Further to the conclusion of the tax audit for Year of Assessment (“YA”) 2007 to YA2010 as disclosed in Note 30 to the audited financial statements for the year ended 31 December 2017, the Inland Revenue Board (IRB) has requested the subsidiary of the Group to revise its tax computations for YA2011 and subsequent years. The subsidiary of the Group has engaged a tax consultant to assist in the matter and assess the tax impacts thereof. In February 2017, The subsidiary of the Group responded to IRB that it disagreed with applying the same computation method used for the earlier tax audit exercise based on reasonable technical grounds. The Group may need to provide for additional tax payable, if any, arising from any revision of the tax computations for YA2011 and subsequent years, the outcome of which cannot be ascertained at this present stage. As at the latest practicable date 17 August 2018, the subsidiary of the Group has not received any response from the IRB to its reply of February 2017.

**A18. Significant Related Party Transactions**

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

Transactions with Directors and a company in which certain Directors have substantial financial interests:-	Nature	Amount for 6 months ended 30 June 2018 RM'000	Unsettled balance as at 30 June 2018 RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	Rental of open yard fabrication facilities with workshop, warehouse and office in Labuan	306	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	18	-
Kunci Prima Sdn Bhd (Directors and shareholders are Tengku Yusof Bin Tengku Ahmad Shahrudin, Joe Ling Siew Loung @ Lin Shou Long, Ling Suk Kiong and his spouse Wong Siew Hong)	Rental of office in Miri	372	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	398	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	137	-
		<u>1,231</u>	<u>-</u>

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

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS****B1. Review of Financial Performance**

**B1.1 The Group's performance for the current quarter under review versus the corresponding quarter of the previous financial year is tabled below:**

	Current	Corresponding	Variance	
	Quarter ended 30-Jun-18	Quarter ended 30-Jun-17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	221,278	191,017	30,261	16
Gross profit	81,602	78,571	3,031	4
Profit/(loss) before interest and tax	84,480	(12,147)	96,627	(795)
Profit/(loss) before tax	57,034	(35,598)	92,632	(260)
Profit/(loss) after tax	43,041	(49,761)	92,802	(186)
Profit/(loss) attributable to ordinary equity Holders of the Parent	38,853	(48,098)	86,951	(181)

Comparatively, the Group's revenue for the current quarter ended 30 June 2018 increased by 16% while the group made a profit before tax of RM57.0 million for the current quarter as opposed to loss before tax of RM35.6 million in the corresponding quarter ended 30 June 2017.

The increase in revenue and profit before tax in the current quarter is mainly due to higher work orders received and performed under the topside maintenance contracts.

In addition, the profit before tax in the current quarter has also taken into account impairment loss on PPE of RM7.1 million and net realised/unrealised foreign exchange gain of RM25.7 million whereas impairment loss on PPE and net realised/unrealised foreign exchange losses of RM50.4 million and RM16.5 million respectively were accounted for in the corresponding quarter ended 30 June 2017 (see Note A4).

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 30 June 2018 and the date of this report.

**B1. Review of Financial Performance (Cont'd)**

**B1.2 The Group's performance for the current financial period-to-date under review versus the corresponding previous financial period-to-date is tabled below:**

	Cummulative period-to-date	Corresponding period-to-date	Variance	
	30-Jun-18	30-Jun-17	RM'000	%
Revenue	370,060	308,927	61,133	20
Gross profit	118,515	98,865	19,650	20
Profit/(loss) before interest and tax	70,463	(25,852)	96,315	(373)
Profit/(loss) before tax	21,055	(72,351)	93,406	(129)
Loss after tax	(4,608)	(93,255)	88,647	(95)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent	17,744	(90,803)	108,547	(120)

Revenue increased by 20% from RM308.9 million in the previous corresponding period-to-date to RM370.1 million in the current period-to-date. The higher revenue in the current period as compared to the corresponding period is mainly due to higher value of work order received and performed in the current period.

Group registered a profit before tax for the current period of RM21.1 million as compared to a loss before tax of RM72.4 million in the corresponding period last year. The higher profit before tax in the current period is mainly due to higher volume of work orders performed under the topside maintenance contracts.

In addition, the profit before tax in the current period has also taken into account net realised/unrealised foreign exchange loss of RM2.8 million and impairment loss of RM7.1 million whereas net realised/unrealised foreign exchange losses and impairment loss on PPE of RM24.6 million and RM50.4 million respectively were accounted for in the corresponding period preceding year (see Note A4).

**B2. Financial review for current quarter results compared to the results of the immediate preceding quarter**

	Current	Preceding	Variance	
	Quarter ended 30-Jun-18	Quarter ended 31-Mar-18	RM'000	%
Revenue	221,278	148,782	72,496	49
Gross profit	81,602	36,913	44,689	121
Profit/(loss) before interest and tax	84,480	(14,017)	98,497	(703)
Profit/(loss) before tax	57,034	(35,979)	93,013	(259)
Profit/(loss) after tax	43,041	(47,649)	90,690	(190)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent	38,853	(21,307)	60,160	(282)

In the current quarter, the Group's revenue was 49% higher as compared to the preceding quarter. In the current quarter the Group generated profit before tax of RM57.0 million as compared to loss before tax of RM36.0 million in the preceding quarter.

The increase in revenue in the current quarter as compared to the immediate preceding quarter is mainly due to higher vessel utilisation rate and higher work orders from the topside maintenance services.

The significant increase in profit before tax of RM57.0 million in the current quarter is mainly attributed to net realised/unrealised foreign exchange gain of RM25.7 million as opposed to net realised/unrealised foreign exchange loss of RM28.5 million in the preceding quarter (see Note A4).

**B3. Prospects**

Business activities have picked up substantially in the second quarter given the ramp-up in work orders for the Maintenance, Construction and Modifications Contract (MCM) and Topside Maintenance Services works under the Pan Hook-up and Commissioning Contracts (Pan HUC). Consequently, vessel utilisation also witnessed a strong improvement at 70% during the second quarter, compared to a mere 27% in the first quarter. This has also reinforced our view that the worst is over after a relatively uninspiring financial performance in 2016 and 2017.

Taking cue from the work orders in hand, we are hopeful that business operations will remain busy over the coming months which bode well for our financial results. Barring any unforeseen circumstances, we are optimistic that the turnaround in our earnings will be sustainable, premised on our large order book replenishment of more than RM1 billion for the next 5 years and bringing our total order book to more than RM3.0 billion which are call out contracts to last until 2023. The relatively resilient oil price at above USD70 per barrel for crude Brent will also lend credence to our earnings recovery given the much improved operating environment for oil majors which will directly benefit our business, particularly in the areas of maintenance, construction and modifications works and also facilities improvements projects.

Over the past many months, the Group has been actively participating in various contract tenders, particularly the Pan MCM contracts which have been estimated to be worth RM3.0-4.0 billion. We are proud that we have secured a lion share of the Pan MCM jobs from multiple production sharing contractors (PSCs) which speak volume of our strong operational track records. This has further cemented our long-term growth prospects as the awarded contracts are for a five-year period until 2023.

**B3. Prospects (Cont'd)**

We firmly believe that 2018 will be a real turnaround for the group in as far as operational performances are concerned, after experiencing poor results over the past two financial years. Currently, the Group is still bidding for contracts of about RM600 million, mostly for maintenance contracts within the region and also overseas. The awards of these contracts is anticipated to be within the next quarters.

As for our subsidiary Perdana Petroleum Berhad (PPB), PPB has received approval from the Corporate Debt Restructuring Committee (CDRC) of Bank Negara Malaysia for our application for assistance to mediate between the group and its creditors (bankers). PPB are in the midst of submitting a proposed debt restructuring scheme which will enable a renegotiation of its financing obligations in order to sustain its business operations.

The Board remains cautiously optimistic that the issues with PPB will be resolved soon. The Board will continue to be vigilant and prudent in the running and administration of the company's business.

**B4. Profit forecast and profit guarantee**

There was no profit guarantee issued by the Group.

**B5. Income tax expense**

	Current quarter ended 30-Jun-18 RM'000	Corresponding quarter ended 30-Jun-17 RM'000	Current period-to-date 30-Jun-18 RM'000	Corresponding period-to-date 30-Jun-17 RM'000
Malaysian income tax				
Current year	13,993	14,163	25,663	20,904

Despite the consolidated loss for the current quarter and consolidated loss for financial period-to-date, the Group still incurs a tax charge of RM14.0 million as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

**B6. Profit from sale of unquoted investments and/or properties**

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

**B7. Quoted securities**

	Current quarter ended 30-Jun-18 RM'000	Cummulative Year-to-date 30-Jun-18 RM'000
At beginning of the period	1,556	1,543
Change in fair value	13	26
At end of the period	<u>1,569</u>	<u>1,569</u>
Market value	<u>1,569</u>	<u>1,569</u>



**B8. Status of corporate proposal****(i) Proposed Private Placement**

The subsidiary of the Group, Perdana Petroleum Bhd (“PPB”) on 16 May 2017 made an announcement proposing to undertake a private placement of up to 10% of the total number of issued shares of PPB (“Proposal”) to improve its public shareholding spread as well as to raise funds for working capital and partially repay bank borrowings.

On 14 December 2017, Bursa Securities had granted its approval for the listing of and quotation for up to 77,487,094 new shares on the Main Market Listing Requirements (“MMLR”), subject to the Company ensuring full compliance of all the requirements as provided under MMLR at all times.

On 13 June 2018, PPB announced that Bursa Securities had vide their letter dated 12 June 2018 granted the Company an extension of time of six months from 14 June 2018 until 13 December 2018 to complete the implementation of the proposed private placement.

As at the date of this report, the proposed private placement has not been effected.

**(ii) Corporate Debt Restructuring Committee (“CDRC”)**

On 4 July 2018, PPB announced that Corporate Debt Restructuring Committee (the “CDRC”) of Bank Negara Malaysia has granted approval on the Company’s application for assistance to mediate between PPB and some of its subsidiaries (the “Applicant Company/Companies”) with its financial institutions and Sukukholders (the “Lenders”).

This admission to CDRC is consistent with PPB’s strategy to streamline its operations and optimise its financial resources to focus and proactively enhance its offshore marine support services segment. It is a follow-on from PPB’s previous successful cost rationalised initiative which has had a positive impact on PPB’s financials.

PPB received approval from CDRC on 2 July 2018 (“CDRC Approval Letter”) subject to the following conditions:

- a) PPB is required to submit a Proposed Debt Restructuring Scheme within sixty (60) days from the date of the CDRC Approval Letter;
- b) PPB’s admission is limited to twelve (12) months or upon signing of a debt restructuring agreement, whichever is earlier; and
- c) The Proposed Debt Restructuring Scheme must comply with the CDRC’s restructuring principles for PPB to continue to remain under the Standstill arrangement with the Lenders.



**B8. Status of corporate proposal (Cont'd)**

**(ii) Corporate Debt Restructuring Committee (“CDRC”) (Cont'd)**

The Standstill Letter was issued by CDRC to the Lenders of PPB on 2 July 2018.

The CDRC, which is under the purview of Bank Negara Malaysia, will mediate between PPB and their respective Financiers to renegotiate their respective financing facilities that can be sustained in the face of this challenging period for the oil and gas industry, in line with the above conditions. This successful mediation would enable Dayang Group to be better positioned to raise new financing and capital in the future and ensure its operations and PPB to easily sustain its underlying viability going forward.

PPB is exploring various options for the Proposed Debt Restructuring Scheme, including but not limited to extension of tenure of borrowings, disposal of assets, special issue or placement of shares and rights issue. Depending on the scheme eventually accepted by not less than 75% by value of the Lenders, there may be a need to write-down PPB’s non-financial assets (except inventories and deferred tax assets) to market value, if lower than their carrying amount. As PPB is still exploring the various debt restructuring options, it is unable to provide further details at this stage.

Save for the above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 17 August 2018.

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**B9. Group borrowings**

Total Group's borrowings as at 30 June 2018 were as follows:

	As at 30-Jun-18		As at 31-Dec-17	
	USD'000	RM'000	USD'000	RM'000
<b>Current</b>				
<b>Secured</b>				
Sukuk	-	433,663	-	518,797
Term loans	-	244,611	-	270,523
Term loans	16,931	68,399	20,832	82,830
Finance lease liabilities	16,012	64,731	3,207	13,124
Revolving credit		150,000		150,000
<b>Unsecured</b>				
Revolving credit	-	72,000	-	96,000
	32,943	1,033,404	24,039	1,131,274
<b>Non-current</b>				
<b>Secured</b>				
Term loans	-	30,188	-	35,948
Finance lease liabilities	13,577	54,850	27,935	113,526
	13,577	85,038	27,935	149,474
<b>Total</b>	46,520	1,118,442	51,974	1,280,748

Exchange rate (USD: MYR):

USD1: MYR4.040

USD1: MYR4.064

Source of reference: Bank Negara Malaysia website

As at 30 June 2018, the total outstanding borrowings have reduced to RM1.1 billion as compared to RM1.3 billion as at 31 December 2017 mainly due to repayment of Sukuk principal of RM90.0 million, term loan of RM30.0 million and revolving credit of RM24.0 million.

In addition, the Group has not met certain covenants of 4 term loans and the Sukuk bond with a total carrying amount of RM735.2 million as at 30 June 2018. As a result, the non-current portions of these term loans and Sukuk bond of RM563.5 million have been reclassified to current liabilities as at 30 June 2018.

The Sukuk bond, finance lease liabilities, MYR denominated term loans and revolving credits are based on floating interest rate whereas the USD denominated term loans are based on fixed interest rate.

**B10. Material litigation**

As at 17 August 2018, (not earlier than 7 days from the date of announcement of this interim financial report), our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant except for the following:

**B10.1 Arbitration Between Nam Cheong International Limited (Claimant) and Petra Offshore Limited (Respondent)**

In relation to the proposed acquisition of two units of 500-men accommodation workbarges, identified as Vessel Hull No. SK316 and SK317 from Nam Cheong International Limited (“NCIL”) at a consideration of USD84.0 million, the Company’s subsidiary, Petra Offshore Limited (“POL”) had on 1 December 2016 sent a notification to NCIL of the cancellation of the Memorandum of Agreement (“MoA”) on the acquisition of the accommodation work barge identified as Vessel Hull No. SK317 (“Vessel”) as NCIL had not fulfilled the condition of delivery of the Vessel in accordance with the terms and conditions of the MoA. Accordingly, POL had sought for the immediate return of the deposit paid of USD8.4 million (“Deposit”), as advised by the legal counsel.

On 5 December 2016, POL received a letter from NCIL stating that POL has no right to cancel the MoA and in view thereof had breached the terms of the MoA. NCIL had consequently treated the MoA as terminated and had forfeited the Deposit.

Notwithstanding the above claims by NCIL, POL had on 9 December 2016 through its solicitors issued a letter of demand to NCIL for the return of the Deposit.

On 22 December 2016, POL received from the solicitors of NCIL a Notice of Arbitration dated 22 December 2016 that NCIL has filed with the Kuala Lumpur Regional Centre for Arbitrations as Claimant against POL as the Respondent in respect of disputes arising out of the MoA for the sale and purchase of one unit 500-men accommodation work barge (Hull No. SK317) dated 23 June 2014 as amended by the Addendum No. 1 dated 27 May 2015.

NCIL is seeking, inter alia, the relief that POL’s purported termination of the MoA on 1 December 2016 was wrongful and unwarranted and the forfeiture of the 20% deposit amounting to USD8.4 million together with damages arising from failure and/or refusal and/or neglect of POL to take delivery of the Vessel.

On 18 January 2017, POL had via its solicitors issued a Response to Notice of Arbitration to NCIL. POL’s Response to Notice of Arbitration counterclaimed that NCIL’s claim against POL is misconceived and erroneous as the Vessel was not in every respect physically ready for delivery and therefore the relief or remedy sought by NCIL did not arise and the cancellation of the MoA by POL was valid. Hence, POL continued to seek the immediate release of the deposit paid. Both NCIL and POL have since nominated their respective arbitrators and paid the initial deposit for the arbitration.

On 18 July 2017, NCIL had submitted its Claimant’s Statement of Claim to the Kuala Lumpur Regional Centre for Arbitration. POL subsequently file its Respondent’s Statement of Defence and Counterclaim on 17 August 2017.

The arbitrators have fixed the hearing date from 27th to 30th August 2018.

**B11. Dividend**

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

**B12. Earnings/(loss) per share**

<b>Basic Earnings/(loss) Per Share</b>	<b>Current Quarter Ended 30-Jun-18</b>	<b>Corresponding Quarter Ended 30-Jun-17</b>	<b>Cumulative Period Ended 30-Jun-18</b>	<b>Corresponding Period Ended 30-Jun-17</b>
Profit/(Loss) for the period attributable to Owners of the Company (RM'000)	38,853	(48,098)	17,744	(90,803)
Weighted average number of ordinary shares in issue ('000)	964,810	939,750	964,810	908,598
Basic earnings/(loss) per share (sen)	4.03	(5.12)	1.84	(9.99)

**B13. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 August 2018.