Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the First Quarter ended 31 March 2019 (Unaudited)

	Current Quarter Ended 31-Mar-19 (Unaudited) RM'000	Corresponding Quarter Ended 31-Mar-18 (Unaudited) RM'000	Cumulative Period To Date 31-Mar-19 (Unaudited) RM'000	Corresponding Period To Date 31-Mar-18 (Unaudited) RM'000
Revenue	156,408	148,782	156,408	148,782
Operating expenses	(129,847)	(111,869)	(129,847)	(111,869)
Gross profit	**26,561**	**36,913**	**26,561**	**36,913**
Other income	1,395	2,080	1,395	2,080
Administration expenses	(21,326)	(24,203)	(21,326)	(24,203)
Other operating expenses	(6)	(28,807)	(6)	(28,807)
Results from operating activities	**6,624**	**(14,017)**	**6,624**	**(14,017)**
Finance costs	(16,774)	(23,334)	(16,774)	(23,334)
Finance income	1,686	1,372	1,686	1,372
Net finance costs	**(15,088)**	**(21,962)**	**(15,088)**	**(21,962)**
Loss before tax	**(8,464)**	**(35,979)**	**(8,464)**	**(35,979)**
Income tax expense	(8,689)	(11,670)	(8,689)	(11,670)
Loss for the period	**(17,153)**	**(47,649)**	**(17,153)**	**(47,649)**
Other comprehensive expense, net of tax				
Foreign currency translation	(15,317)	(23,246)	(15,317)	(23,246)
Cash flow hedge	(78)	(37)	(78)	(37)
Other comprehensive expense for the period, net of tax	**(15,395)**	**(23,283)**	**(15,395)**	**(23,283)**
Total comprehensive loss for the period	**(32,548)**	**(70,932)**	**(32,548)**	**(70,932)**
Loss for the period				
Attributable to:				
Owners of the Company	(4,135)	(21,307)	(4,135)	(21,307)
Non-controlling interest	(13,018)	(26,342)	(13,018)	(26,342)
	(17,153)	**(47,649)**	**(17,153)**	**(47,649)**
Total comprehensive loss for the period				
Attributable to:				
Owners of the Company	(13,444)	(35,389)	(13,444)	(35,389)
Non-controlling interest	(19,104)	(35,543)	(19,104)	(35,543)
	(32,548)	**(70,932)**	**(32,548)**	**(70,932)**
Weighted average number of ordinary shares in issue ('000)	964,810	964,810	964,810	964,810
Basic loss per ordinary share (sen)	(0.43)	(2.21)	(0.43)	(2.21)

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report).

Condensed Consolidated Statement of Financial Position
As at 31 March 2019 (Unaudited)

	UNAUDITED AS AT 31-Mar-19 RM'000	AUDITED AS AT 31-Dec-18 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,402,885	1,442,096
Prepaid lease payments	9,294	9,386
Deposit	45,828	46,043
Goodwill	653,627	653,627
Deferred tax asset	25,559	25,559
Derivative assets	-	78
TOTAL NON CURRENT ASSETS	**2,137,193**	**2,176,789**
CURRENT ASSETS		
Inventories	6,921	7,285
Contract assets	106,819	150,008
Trade and other receivables	91,255	124,606
Other investments	1,503	1,490
Deposits and prepayments	6,963	10,810
Current tax assets	3,414	4,375
Cash and cash equivalents	214,734	221,779
TOTAL CURRENT ASSETS	**431,609**	**520,353**
TOTAL ASSETS	**2,568,802**	**2,697,142**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	672,988	672,988
Reserves	437,126	450,570
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**1,110,114**	**1,123,558**
NON-CONTROLLING INTEREST	**157,147**	**176,251**
TOTAL EQUITY	**1,267,261**	**1,299,809**
NON CURRENT LIABILITIES		
Loans and borrowings	21,548	24,428
Deferred tax liabilities	73,776	73,776
TOTAL NON CURRENT LIABILITIES	**95,324**	**98,204**
CURRENT LIABILITIES		
Loans and borrowings	990,879	1,064,752
Trade and other payables	185,814	205,514
Current tax liabilities	29,524	28,863
TOTAL CURRENT LIABILITIES	**1,206,217**	**1,299,129**
TOTAL LIABILITIES	**1,301,541**	**1,397,333**
TOTAL EQUITY AND LIABILITIES	**2,568,802**	**2,697,142**
Net assets per share (sen)	115	116

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report).

Condensed Consolidated Statement of Changes in Equity
For the First Quarter ended 31 March 2019 (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
At 1 January 2018	**672,988**	**53,847**	**233,005**	**959,840**	**190,087**	**1,149,927**
Profit for the period	-	-	160,150	160,150	(16,167)	143,983
Foreign currency translation differences for foreign operations	-	3,662	-	3,662	2,392	6,054
Cash flow hedge	-	(94)	-	(94)	(61)	(155)
Total comprehensive income for the period	-	3,568	160,150	163,718	(13,836)	149,882
At 31 December 2018	**672,988**	**57,415**	**393,155**	**1,123,558**	**176,251**	**1,299,809**

Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the First Quarter ended 31 March 2019 (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
At 1 January 2019	**672,988**	**57,415**	**393,155**	**1,123,558**	**176,251**	**1,299,809**
Loss for the period	-	-	(4,135)	(4,135)	(13,018)	(17,153)
Foreign currency translation differences for foreign operations	-	(9,262)	-	(9,262)	(6,055)	(15,317)
Cash flow hedge	-	(47)	-	(47)	(31)	(78)
Total comprehensive expense for the period	-	(9,309)	(4,135)	(13,444)	(19,104)	(32,548)
At 31 March 2019	**672,988**	**48,106**	**389,020**	**1,110,114**	**157,147**	**1,267,261**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report).

Condensed Consolidated Statement of Cash Flows
For the First Quarter ended 31 March 2019 (Unaudited)

	Current year-to-date (unaudited) 31-Mar-19 RM'000	Corresponding year-to-date (audited) 31-Mar-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(8,464)	(35,979)
Adjustments for:-		
- Non-cash items	26,699	62,307
- Non-operating items	15,076	21,950
Operating profit before changes in working capital	33,311	48,278
Changes in working capital		
Inventories	364	1,660
Trade and other receivables	78,935	(41,202)
Trade and other payables	(32,309)	(7,853)
Total changes in working capital	46,990	(47,395)
Cash generated from/(used in) operations	**80,301**	**883**
Interest received	1,255	1,105
Interest paid	(401)	(563)
Tax paid	6,839	(8,850)
Total interest and tax paid	7,693	(8,308)
Net cash generated from/(used in) operating activities	**87,994**	**(7,425)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits	(5,455)	(55,045)
Acquisition of property, plant and equipment	(5,370)	(2,094)
Net cash used in investing activities	**(10,825)**	**(57,139)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(54,980)	(56,748)
Payments of finance lease liabilities	-	(2,994)
Term loan interest paid	(11,697)	(18,369)
Net cash used in financing activities	**(66,677)**	**(78,111)**
Net increase/(decrease) in cash and cash equivalents	**10,492**	**(142,675)**
Effect of foreign exchange translation	**(1,903)**	**28,076**
Cash and cash equivalents at the beginning of the period	**194,607**	**164,901**
Cash and cash equivalents at the end of the period	**203,196**	**50,302**
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	92,945	178,764
Cash and bank balances	121,789	(17,722)
	214,734	**161,042**
Less: Deposits pledged as security	(11,538)	(110,740)
Cash and cash equivalents	203,196	50,302

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018 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 2018 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 2018, except for the adoption of the following Accounting Standards, Amendments and Interpretations from 1 January 2019:

MFRS/ Amendment/ Interpretation	**Effective date**
MFRS 16, *Leases*	1 January 2019
IC Interpretation 23, *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*	1 January 2019
Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*	1 January 2019
Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*	1 January 2019
Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*	1 January 2019
Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 119, *Employee Benefits-Plan Amendment, Curtailment or Settlement*	1 January 2019

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

MFRS/ Amendment/ Interpretation	Effective date
MFRS 17, *Insurance Contracts*	1 January 2021
Amendments to MFRS 10, *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*	To be determined

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group and the Company.

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.

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 2018.

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A4. Loss for the period

	Current quarter/period-to-date ended (unaudited) 31-Mar-19 RM'000	Corresponding quarter/period-to-date ended (unaudited) 31-Mar-18 RM'000	Preceding quarter ended (audited) 31-Dec-18 RM'000
Loss for the period is arrived at after (charging)/crediting:			
<u>Other income</u>			
Reversal of impairment loss on property, plant and equipment	-	-	13,647
Realised gain on foreign exchange	-	-	15,427
Unrealised gain on foreign exchange	1,087	-	-
Others	308	2,080	(347)
Total other income	1,395	2,080	28,727
<u>Other expenses</u>			
Realised gain/(loss) on foreign exchange	(6)	907	-
Amortisation of intangible assets	-	(3,123)	(3,123)
Allowance for impairment loss on receivables	-	(297)	-
Unrealised loss on foreign exchange	-	(29,417)	(15,433)
Total other expenses	(6)	(31,930)	(18,556)
Grand total of other income(expenses)	1,389	(29,850)	10,171
Depreciation of property, plant and equipment & amortisation of prepaid lease payment	(27,738)	(29,472)	(23,496)

Save for the above, there were no allowance for write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and material exceptional items that are included in the profit of the Group for the current quarter ended 31 March 2019.

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 income comprises of unrealised foreign exchange gain of RM1.0 million whereas the other comprehensive expenses include foreign currency translation loss of RM15.3 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. Included in the share capital is share premium amounting to RM147.0 million that has not been utilized within the period for utilisation which expired on 30 January 2019.

A9. Dividend

No dividend has been declared or paid for the financial year ended 31 December 2018 and the current quarter ended 31 March 2019.

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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

Current quarter/period-to-date ended 31 March 2019 (unaudited)	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Adjustments RM'000	Consolidated RM'000
Revenue							
External revenue	-	127,347	29,061	-	156,408	-	156,408
Inter-segment revenue	1,270	-	16,596	1,883	19,749	(19,749)	-
Total revenue	1,270	127,347	45,657	1,883	176,157	(19,749)	156,408
Results							
Segment results	(43)	33,910	(20,997)	156	13,026	(6,402)	6,624
Finance costs	(5,281)	(400)	(11,093)	-	(16,774)	-	(16,774)
Inter-segment finance costs	(3,741)	-	(2,661)	-	(6,402)	6,402	-
Total finance costs	(9,022)	(400)	(13,754)	-	(23,176)	6,402	(16,774)
Finance income	128	843	704	11	1,686	-	1,686
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	128	843	704	11	1,686	-	1,686
(Loss)/profit before tax	**(8,937)**	**34,353**	**(34,047)**	**167**	**(8,464)**	**-**	**(8,464)**
Taxation							(8,689)
Loss after tax							**(17,153)**

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A10. Segmental Information (Cont'd)

A10.1 Business Segment (Cont'd)

Corresponding quarter/period-to-date ended 31 March 2018 (unaudited)	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	-	137,460	11,322	-	148,782	-	148,782
Inter-segment revenue	1,259	459,535	17,160	2,741	480,695	(480,695)	-
Total revenue	1,259	596,995	28,482	2,741	629,477	(480,695)	148,782
Results							
Segment results	173	43,270	(53,742)	(595)	(10,894)	(3,123)	(14,017)
Finance costs	(7,854)	(563)	(14,917)	-	(23,334)	-	(23,334)
Inter-segment finance costs	-	-	-	-	-	-	-
Total finance costs	(7,854)	(563)	(14,917)	-	(23,334)	-	(23,334)
					-		
Finance income	142	546	648	36	1,372	-	1,372
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	142	546	648	36	1,372	-	1,372
(Loss)/profit before tax	**(7,539)**	**43,253**	**(68,011)**	**(559)**	**(32,856)**	**(3,123)**	**(35,979)**
Taxation							(11,670)
Loss after tax							**(47,649)**

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A10. Segmental Information (Cont'd)

A10.2 Segment Assets and Liabilities

As at 31 March 2019 (unaudited)	**Investment Holding RM'000**	**Offshore TMS RM'000**	**Marine Charter RM'000**	**Equipment Rental RM'000**	**Total RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Segment assets	777,947	567,475	1,494,405	49,017	2,888,844	(349,015)	2,539,829
Deferred tax assets	-	-	25,559	-	25,559	-	25,559
Current tax assets	65	-	2,714	635	3,414	-	3,414
Total assets	**778,012**	**567,475**	**1,522,678**	**49,652**	**2,917,817**	**(349,015)**	**2,568,802**
Segment liabilities	186,016	(133,162)	758,955	1,041	812,850	385,391	1,198,241
Deferred tax liabilities	-	4,205	60,734	1,166	66,105	7,671	73,776
Current tax liabilities	-	26,176	-	-	26,176	3,348	29,524
Total liabilities	**186,016**	**(102,781)**	**819,689**	**2,207**	**905,131**	**396,410**	**1,301,541**

As at 31 March 2018 (unaudited)	**Investment Holding RM'000**	**Offshore TMS RM'000**	**Marine Charter RM'000**	**Equipment Rental RM'000**	**Total RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Segment assets	850,601	459,535	1,540,505	51,732	2,902,373	(392,772)	2,509,601
Deferred tax assets	-	-	23,235	(1,717)	21,518	-	21,518
Current tax assets	-	-	3,663	-	3,663	-	3,663
Total assets	**850,601**	**459,535**	**1,567,403**	**50,015**	**2,927,554**	**(392,772)**	**2,534,782**
Segment liabilities	221,615	(11,884)	829,995	9,738	1,049,464	346,998	1,396,462
Deferred tax liabilities	-	3,769	56,323	(767)	59,325	-	59,325
Total liabilities	**221,615**	**(8,115)**	**886,318**	**8,971**	**1,108,789**	**346,998**	**1,455,787**

A11. Revenue

A11.1 Disaggregation of Revenue

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

	Current quarter ended (unaudited)	Corresponding quarter ended (unaudited)
	31-Mar-19	31-Mar-18
	RM'000	RM'000
Type of services		
Topside maintenance services		
Schedule of rates	93,037	124,962
Lump sum	33,945	12,498
Cost plus	365	-
Marine offshore support services		
Chartering of vessels	27,812	11,322
Others	1,249	-
	156,408	148,782
Timing of revenue recognition		
Services transferred over time		
Topside maintenance services		
Schedule of rates	93,037	124,962
Lump sum	33,945	12,498
Marine offshore support services		
Chartering of vessels	27,812	11,322
Others	1,249	-
Services transferred at the point in time		
Cost plus	365	-
	156,408	148,782

A11. Revenue (Cont'd)

A11.2 Nature of Services

Type of contracts	Timing of recognition or method used to recognise revenue	Significant payment terms
Lump sum	Revenue is recognised overtime using the cost incurred method.	Credit periods of 30 days from invoice date.
Schedule of rates	Revenue is recognised overtime using the cost incurred method.	Credit periods of 30 days from invoice date.
Chartering of vessels	Revenue is recognised overtime as and when the charter hire services are performed using the cost incurred method.	Credit periods of 30 to 45 days from invoice date.
Rental	Revenue is recognised overtime as and when the equipment hiring services are performed using the cost incurred method.	Credit periods of 30 days from invoice date.
Cost plus	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit periods of 30 days from invoice date.

A12. Valuation of goodwill

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

MFRS 136 states that the annual impairment test for the following items may be performed at any time within an annual reporting period, provided that the test is performed at the same time every year. The Group reassessed the valuation of its CGUs as at 31 December 2018 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 31 March 2019 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 2019 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 31 March 2019, there were no further allowance for impairment loss nor reversal of impairment loss on PPE. The Group's accumulated impairment loss remained at RM9.3 million as at 31 March 2019 and 31 December 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 31 March 2019, the Group has no outstanding or additional capital commitments which are approved and/or contracted for.

A15. Material events subsequent to the reporting period

There were no material events subsequent to the current financial quarter ended 31 March 2019 up to the date of this report which is likely to substantially affect the financial results of the Group.

A16. Changes in composition of the group

There were no changes in the composition of the Group for the current quarter ended 31 March 2019.

A17. Contingent Liabilities

There were no contingent liabilities outstanding as at 31 March 2019.

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 15 May 2019, 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 3 months ended 31 March 2019 RM'000	Unsettled balance as at 31 March 2019 RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	Rental of open yard fabrication facilities with workshop, warehouse and office in Labuan	153	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	9	-
Kunci Prima Sdn Bhd (Directors and shareholders are Tengku Yusof Bin Tengku Ahmad Shahruddin, Joe Ling Siew Loung @ Lin Shou Long, Ling Suk Kiong and his spouse Wong Siew Hong)	Rental of office in Miri	186	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	199	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	68	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of condominium located at unit B-36-01, Verticas Residensi, No. 10, Jalan Ceylon, 55100 Kuala Lumpur	24	
		639	-

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

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B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

B1. Review of Financial Performance

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

	Current Quarter ended (unaudited) 31-Mar-19	Corresponding Quarter ended (unaudited) 31-Mar-18	Variance	
	RM'000	RM'000	RM'000	%
Revenue	156,408	148,782	7,626	5
Gross profit	26,561	36,913	(10,352)	(28)
Profit/(loss) before interest and tax	6,624	(14,017)	20,641	(147)
Loss before tax	(8,464)	(35,979)	27,515	(76)
Loss after tax	(17,153)	(47,649)	30,496	(64)
Loss attributable to Ordinary Equity Holders of the Parent	(4,135)	(21,307)	17,172	(81)

Comparatively, the Group's revenue for the current quarter ended 31 March 2019 increased by 5% while the group made a loss before tax of RM8.5 million for the current quarter as compared to loss before tax of RM36.0 million in the corresponding quarter ended 31 March 2018.

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

In addition, the improved loss before tax in the current quarter has also taken into account the net realised/unrealised foreign exchange gain of RM1.1 million as compared to a net realised/unrealised foreign loss of RM28.5 million in the corresponding quarter.

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 31 March 2019 and the date of this report.

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

	Current Quarter ended (unaudited) 31-Mar-19 RM'000	Preceding Quarter ended (audited) 31-Dec-2018 # RM'000	Variance RM'000	%
Revenue	156,408	286,765	(130,357)	(45)
Gross profit	26,561	160,631	(134,070)	(83)
Profit before interest and tax	6,624	120,049	(113,425)	(94)
(Loss)/profit before tax	(8,464)	123,348	(131,812)	(107)
(Loss)/profit after tax	(17,153)	97,256	(114,409)	(118)
(Loss)/profit attributable to Ordinary Equity Holders of the Parent	(4,135)	93,652	(97,787)	(104)

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

In the current quarter, the Group's revenue was 45% lower as compared to the preceding quarter. In the current quarter the Group made loss before tax of RM8.5 million as compared to profit before tax of RM123.3 million in the preceding quarter.

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

The loss before tax of RM8.5 million in the current quarter is mainly attributed to the decrease in work orders received and performed under the topside maintenance contracts. The current quarter ended loss before tax has taken into account of net realised/unrealised foreign exchange gain of RM1.1 million as compared to net reversal for impairment loss on PPE of RM13.6 million in the preceding quarter (see Note A4).

B3. Prospects

After registering our solid financial performance in 2018, we had a good start of the year with healthy results in the first quarter of 2019 which also represented our best first quarter results since 2016. This is despite the seasonally weak quarter which is typically affected by the adverse monsoon weather. We continued to deliver our work orders for the Maintenance, Construction and Modifications Contract (MCM) and Topside Maintenance Services works under the Pan Hook-up and Commissioning Contract (Pan HUC) during the first quarter of 2019, albeit on a smaller quantum.

Along with all the hive of activities, vessel utilisation also came in stronger at 36% in the first quarter of 2019, compared to 27% in the corresponding period in 2018. We are delighted by the relatively decent fleet utilisation, considering the slower work progress due to the inclement weather in this first quarter. The synergistic collaboration between Dayang and its subsidiary, Perdana Petroleum continues to work out well as we execute our operations with better cost control and improved efficiency.

B3. Prospects (Cont'd)

Taking cue from the work orders in hand, we are hopeful that business operations will remain busy over the coming months which should augur well for our financial results. Barring any unforeseen circumstances, we are optimistic that our earnings growth trajectory will remain positive, premised on our decent order book of close to RM3 billion. The relatively resilient oil price will also lend credence to our earnings growth given the much improved operating environment for oil majors which will directly benefit our business.

After securing the lion share of the Pan MCM contracts estimated at RM1.5 to 2.0 billion from multiple production sharing contractors in Malaysia in 2018, we are looking forward to going full steam ahead in 2019 to deliver all the work orders entrusted by our esteemed clients.

We are hopeful that Dayang will return to its glorious days in the not-too-distant future as we carefully execute our long-term business plans. Nevertheless, the Board will remain vigilant and continue to exercise due care and prudence 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/period-to-date ended (unaudited) 31-Mar-19 RM'000	Corresponding quarter/period-to-date ended (unaudited) 31-Mar-18 RM'000
Malaysian income tax		
Current year	8,689	11,670

For the current quarter, the Group still incurs a tax charge of RM8.7 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

Movement in unit trusts:

	Current quarter ended (unaudited) 31-Mar-19 RM'000	Cummulative period-to-date (unaudited) 31-Mar-19 RM'000
At beginning of the period	1,490	1,490
Change in fair value	13	13
At end of the period	1,503	1,503
Market value	1,503	1,503

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.

On 13 December 2018, PPB decided not to proceed with the proposed private placement after taking into consideration the ongoing corporate debt restructuring exercise coupled with the prevailing weak market conditions for the past 6 months.

(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.

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

B8. Status of corporate proposal (Cont'd)

(ii) Corporate Debt Restructuring Committee ("CDRC") (Cont'd)

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.

On 30 August 2018, PPB has sought an extension of time of 30 days to submit the PDRS from 1 September 2018.

On 10 October 2018, PPB has conducted its first CDRC meeting and presented a draft PDRS to the lenders. Subsequently on 15 November 2018, a second CDRC meeting has taken place to provide further updates and details of the debt settlement scheme.

On 28 January 2019, a third CDRC meeting was held to provide milestone updates and proposed scheme enhancement to all lenders.

Further details on the debt restructuring option agreeable to the Lenders will be provided at the appropriate time. Barring any unforeseen circumstances, the CDRC program is expected to be completed within 18 months from the date of admission, i.e., 2 July 2018.

Save for the above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 15 May 2019.

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B9. Group borrowings

Total Group's borrowings as at 31 March 2019 were as follows:

	As at 31-Mar-19 (unaudited)		As at 31-Dec-18 (audited)	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	440,544	-	438,528
Term loans	-	208,310	-	220,411
Term loans	16,424	67,059	16,424	68,011
Finance lease liabilities	30,117	122,966	30,117	124,713
Revolving credit	-	150,000	-	150,000
Unsecured				
Overdrafts	-	-	-	21,089
Revolving credit	-	2,000	-	42,000
	46,541	990,879	46,541	1,064,752
Non-current				
Secured				
Term loans	-	21,548	-	24,428
	-	21,548	-	24,428
Total	46,541	1,012,427	46,541	1,089,180

Exchange rate (USD: MYR):	USD1: MYR4.083	USD1: MYR4.141

Source of reference: Bank Negara Malaysia Website

As at 31 March 2019, the total outstanding borrowings have reduced to RM1.0 billion as compared to RM1.1 billion as at 31 December 2018 mainly due to repayment of term loan of RM15.0 million and revolving credit of RM40.0 million.

Effective 2 July 2018, upon the issuance of the Standstill Letter by CDRC [refer Note B8 (ii)], PPB has not made any principal repayment that has fallen due up to 31 March 2019.

In addition, the Group has not met certain covenants of 4 term loans and the Sukuk bond with a total carrying amount of RM679.9 million as at 31 March 2019. As a result, the non-current portions of these term loans and Sukuk bond of RM508.8 million have been reclassified to current liabilities as at 31 March 2019.

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 litigations

As at 15 May 2019, (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:

On 22 June 2011, the Company filed a suit in the High Court against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Berhad ("TASB"), Yap Hock Heng and TA First Credit Sdn Bhd ("TAFC") to claim for losses and damages suffered by the Company in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Berhad ("PEB") by the Company on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by the Company as conducted by TA Securities Holdings Berhad and Yap Hock Heng on 11December 2009.

This suit was mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and the Company was seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disgorgement and costs.

On 7 September 2012, the Company filed notices of discontinuance pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC, with no admission of liability and with no liberty to file afresh. In this connection, TASB had also agreed to discontinue their suit against the Company in relation to a claim of approximately RM2.8 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, the Company had reversed the provisions made earlier.

The trial at the High Court ended on 26 April 2013 and oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, the Company announced that the High Court gave its decision that the Company was unsuccessful in the Suit. On 17 April 2014, the Company filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, the High Court made a decision on costs and ordered the Company to pay the Defendant Parties, a total cost of RM841,731. The High Court also ordered Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra to pay the Company the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of the Group for the year ended 31 December 2014 was reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 2 December 2014, the Court of Appeal fixed the hearing of the Appeal. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015.

On 25 August 2015, the Company announced that the Court of Appeal had made the following judgements:

(i) the Company's appeal was allowed with costs against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;

(ii) the Company's appeal was dismissed with costs against Lee Mee Jiong; and

(iii) Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra's cross appeal was dismissed with costs.

B10. Material litigations (Cont'd)

On 23 September 2015, the Company received the Notices of Motion from the solicitors of Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong respectively, to apply for leave to appeal to the Federal Court against the decision of the Court of Appeal on 25 August 2015.

The Federal Court had on 1 March 2016 allowed the leave applications by the Applicants and the Applicants proceeded with the filing of the appeal papers for Case Management.

On 10 October 2016, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra's, Wong Fook Heng's and Tiong Young Kong's appeals against the Company were partially heard by the Federal Court. The Federal Court fixed 18 October 2016 for the continued hearing which however did not take place on the said date. The Federal Court subsequently fixed 16 November 2016 as the continued hearing date.

However, on 8 November 2016, the Federal Court via a letter informed all the parties that the continued hearing scheduled on 16 November 2016 was converted to a Case Management and the new continued hearing date was fixed on 2 February 2017.

On 2 February 2017, the Federal Court had heard all of the parties for the continued hearing and deferred the decision to a later date.

On 14 December 2017, the Federal Court had unanimously allowed both of Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong's appeals ("the Appellants"), with costs in the amount of RM60,000 subject to 4% allocator for each appeal, to be paid by the Company to the Appellants. The Federal Court also held that the Court of Appeal's order dated 25 August 2015 to be set aside and that the High Court Judgement dated 21 March 2014 to be reinstated.

On 6 February 2018, the Company received an instruction letter from the Appellants' solicitor to pay a sum of approximately RM459,000. The Company had fully settled the sum accordingly.

On 8 March 2018, the Company received another instruction letter from the solicitor of Wong Fook Heng and Tiong Young Kong to pay a sum of approximately RM112,400. The Company had fully settled the sum accordingly.

On 3 September 2018, the Industrial Court via a deed of release and settlement informed Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra and the Company, of a sum of RM500,000 to be paid by the latter to the former to resolve and fully settle out of court, all matters in connection to the Claim.

Subsequent to the final settlement of the suit, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong filed a claim for indemnification of legal fees they have incurred in defending the prior suits (and the appeals emanated therefrom) brought by the Company against them. The hearing was partially heard by the High Court on 29 March 2019. To date, the High Court has yet to fix the continued hearing date.

B11. Dividend

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

B12. Earnings per share

Basic loss per share	Current Quarter Ended 31-Mar-19	Corresponding Quarter Ended 31-Mar-18	Cumulative Period Ended 31-Mar-19	Corresponding Period Ended 31-Mar-18
Loss for the period attributable to Owners of the Company (RM'000)	(4,135)	(21,307)	(4,135)	(21,307)
Weighted average number of ordinary shares in issue ('000)	964,810	964,810	964,810	964,810
Basic loss per share (sen)	(0.43)	(2.21)	(0.43)	(2.21)

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 22 May 2019.