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

	Current Quarter Ended 31-Dec-19 (Unaudited) RM'000	Corresponding Quarter Ended 31-Dec-18 (Unaudited) RM'000	Cumulative Year To Date 31-Dec-19 (Unaudited) RM'000	Corresponding Year To Date 31-Dec-18 (Unaudited) RM'000
Revenue	285,020	285,648	1,046,183	937,641
Operating expenses	(110,553)	(122,077)	(547,200)	(552,220)
Gross profit	**174,467**	**163,571**	**498,983**	**385,421**
Other income	11,033	35,861	22,045	26,755
Administration expenses	(42,348)	(34,495)	(120,605)	(98,878)
Other operating expenses	(3,636)	(20,338)	(494)	(20,397)
Results from operating activities	**139,516**	**144,599**	**399,929**	**292,901**
Finance costs	(20,913)	(14,446)	(69,837)	(77,791)
Finance income	1,117	1,083	5,147	4,917
Net finance costs	**(19,796)**	**(13,363)**	**(64,690)**	**(72,874)**
Profit before tax	**119,720**	**131,236**	**335,239**	**220,027**
Income tax expense	(42,506)	(29,909)	(107,995)	(71,972)
Profit for the period	**77,214**	**101,327**	**227,244**	**148,055**
Other comprehensive (expense)/income, net of tax				
Foreign currency translation	(23,891)	(163)	(11,912)	7,286
Cash flow hedge	-	(39)	(78)	(155)
Other comprehensive (expense)/income for the period, net of tax	**(23,891)**	**(202)**	**(11,990)**	**7,131**
Total comprehensive income for the period	**53,323**	**101,125**	**215,254**	**155,186**
Profit for the period				
Attributable to:				
Owners of the Company	78,225	97,724	236,276	164,223
Non-controlling interest	(1,011)	3,603	(9,032)	(16,168)
	77,214	**101,327**	**227,244**	**148,055**
Total comprehensive income for the period				
Attributable to:				
Owners of the Company	63,776	97,602	229,024	168,536
Non-controlling interest	(10,453)	3,523	(13,770)	(13,350)
	53,323	**101,125**	**215,254**	**155,186**
Weighted average number of ordinary shares in issue ('000)	978,443	964,810	968,246	964,810
Basic earnings/(loss) per ordinary share (sen)	7.99	10.13	24.40	17.02

(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 December 2019 (Unaudited)

	UNAUDITED AS AT 31-Dec-19 RM'000	AUDITED AS AT 31-Dec-18 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,361,439	1,442,096
Prepaid lease payments	9,018	9,386
Refundable deposits	47,704	46,043
Goodwill	653,627	653,627
Deferred tax asset	20,054	25,559
Derivative assets	-	78
TOTAL NON CURRENT ASSETS	**2,091,842**	**2,176,789**
CURRENT ASSETS		
Inventories	7,411	7,285
Contract assets	224,469	150,008
Trade and other receivables	331,901	124,606
Other investments	-	1,490
Deposits and prepayments	3,380	10,810
Current tax assets	2,636	4,375
Cash and cash equivalents	281,891	221,779
TOTAL CURRENT ASSETS	**851,688**	**520,353**
TOTAL ASSETS	**2,943,530**	**2,697,142**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	761,750	672,988
Reserves	677,794	450,570
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**1,439,544**	**1,123,558**
NON-CONTROLLING INTEREST	**162,480**	**176,251**
TOTAL EQUITY	**1,602,024**	**1,299,809**
NON CURRENT LIABILITIES		
Loans and borrowings	696,998	24,428
Deferred tax liabilities	75,974	73,776
TOTAL NON CURRENT LIABILITIES	**772,972**	**98,204**
CURRENT LIABILITIES		
Loans and borrowings	115,078	1,064,752
Trade and other payables	404,324	205,514
Current tax liabilities	49,132	28,863
TOTAL CURRENT LIABILITIES	**568,534**	**1,299,129**
TOTAL LIABILITIES	**1,341,506**	**1,397,333**
TOTAL EQUITY AND LIABILITIES	**2,943,530**	**2,697,142**
Net assets per share (sen)	136	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 Fourth Quarter ended 31 December 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 year	-	-	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 year	-	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 Fourth Quarter ended 31 December 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**
Profit for the year	-	-	236,276	236,276	(9,032)	227,244
Foreign currency translation differences for foreign operations	-	(7,204)	-	(7,204)	(4,708)	(11,912)
Cash flow hedge	-	(47)	-	(47)	(31)	(78)
Total comprehensive income/(expense) for the year	-	(7,251)	236,276	229,025	(13,771)	215,254
Issuance of ordinary shares under Rights Issue (net of rights issue expenses)	88,762	-	(1,801)	86,961	-	86,961
At 31 December 2019	**761,750**	**50,164**	**627,630**	**1,439,544**	**162,480**	**1,602,024**

(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 Fourth Quarter ended 31 December 2019 (Unaudited)

	Current period-to-date (unaudited) 31-Dec-19 RM'000	Corresponding period-to-date (unaudited) 31-Dec-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	335,239	220,027
Adjustments for:-		
- Non-cash items	80,186	124,765
- Non-operating items	95,688	74,169
Operating profit before changes in working capital	511,113	418,961
Changes in working capital		
Inventories	(125)	(1,230)
Trade and other receivables	(282,971)	(74,572)
Trade and other payables	33,349	(5,016)
Total changes in working capital	(249,747)	(80,818)
Cash generated from operations	**261,366**	**338,143**
Interest received	3,980	3,809
Interest paid	-	(6,067)
Tax paid	(81,627)	(42,822)
Total interest and tax paid	(77,647)	(45,080)
Net cash generated from operating activities	**183,719**	**293,063**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Placement)/withdrawal of fixed deposits	(29,621)	49,612
Acquisition of property, plant and equipment	(32,243)	(25,127)
Proceeds from disposal of other investments	1,521	-
Net cash (used in)/generated from investing activities	**(60,343)**	**24,485**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of Sukuk Bonds net of expenses	659,917	-
Net proceeds from rights issue of shares	86,961	-
Proceeds from issuance of RCPS	167,968	-
Proceeds from borrowings	106,500	-
Repayment of borrowings	(965,881)	(220,309)
Payments of finance lease liabilities	-	(4,335)
Refundable deposit paid	(12,000)	-
Term loan interest paid	(58,114)	(29,251)
Coupon paid	(24,267)	(23,824)
Net cash used in financing activities	**(38,916)**	**(277,719)**
Net increase in cash and cash equivalents	**84,460**	**39,829**
Effect of foreign exchange translation	**1,782**	**(9,081)**
Cash and cash equivalents at the beginning of the period	**195,649**	**164,901**
Cash and cash equivalents at the end of the period	**281,891**	**195,649**

Condensed Consolidated Statement of Cash Flows (Cont'd)
For the Fourth Quarter ended 31 December 2019 (Unaudited)

	Current Year-to-date 31-Dec-19 RM'000	Corresponding Year-to-date 31-Dec-18 RM'000
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	265,915	185,368
Cash and bank balances	51,680	36,411
Bank overdrafts	-	(20,047)
	317,595	**201,732**
Less: Deposits pledged as security	(35,704)	(6,083)
Cash and cash equivalents	281,891	195,649

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).

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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**
Amendments to MFRS 3, *Business Combinations*	1 January 2020
Amendments to MFRS 101, *Presentation of Financial Statements and* MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* -*Definition of Material*	1 January 2020
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 plans to apply from the annual period beginning on 1 January 2020, those accounting standards, amendments or interpretation that are effective for annual periods beginning on or after 1 January 2020.

MFRS 17, *Insurance Contracts*, which is effective for the annual periods beginning on 1 January 2021, is 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.

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. Profit for the period

	Current quarter ended (unaudited) 31-Dec-19 RM'000	Corresponding quarter ended (audited) 31-Dec-18 RM'000	Current period-to-date (unaudited) 31-Dec-19 RM'000	Corresponding period-to-date (unaudited) 31-Dec-18 RM'000	Preceding quarter (unaudited) 30-Sep-19 RM'000
Profit/(loss) for the period is arrived at after (charging)/crediting:					
Other income					
Reversal/(allowance) of impairment loss on property, plant and equipment		20,781	-	7,920	-
Realised gain/(loss) on foreign exchange	-	15,427	-	17,225	-
Unrealised (loss)/gain on foreign exchange	2,326	-	1,564	-	-
Gain on bargain purchase	8,254		18,754		10,561
Reversal of accrued interest/penalty upon settlement of loan	-		882		882
Others	453	(347)	845	1,610	163
Total other income	11,033	35,861	22,045	26,755	11,606
Other expenses					
Amortisation of intangible assets	-	(3,123)	-	(12,490)	-
Realised gain/(loss) on foreign exchange	(817)		(494)		354
Unrealised (loss)/gain on foreign exchange	-	(15,433)	-	(5,828)	(427)
(Allowance) for impairment loss on receivables		-	-	(297)	-
Reversal/(allowance) of impairment loss on property, plant and equipment	(2,819)	(1,782)	-	(1,782)	-
Total other expenses	(3,636)	(20,338)	(494)	(20,397)	(73)
Grand total of other income net of other expenses	7,397	15,523	21,551	6,358	11,533
Depreciation of property, plant and equipment & amortisation of prepaid lease payment	(28,847)	(30,437)	(113,035)	(89,837)	(28,292)

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 December 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 income/expenses and other comprehensive income/expense arising from realised/unrealised foreign exchange gain/ loss and foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars, reversal of impairment loss on property, plant and equipment ("PPE"), gain on bargain purchase that has been provided for.

During the current quarter and financial year to-date, the other income comprises of net realised/unrealised foreign exchange gain of RM1.5 million and RM1.1 million respectively whereas the other comprehensive income includes foreign currency translation loss of RM23.9 million and RM11.9 million respectively.

In addition, the Group through Perdana Petroleum Bhd has accounted for a gain on bargain purchase of RM10.6 million arising from an acquisition of a subsidiary, legal expenses of RM2.6 million as well as additional deferred tax expenses of RM5.3 million during the financial period to date. The group has also made a reversal of impairment loss on PPE of USD2.9 million (equivalent to RM11.7 million) during the quarter under review, bringing the total reversal of impairment loss for PPE to USD3.5 million (equivalent to RM14.5 million) for the current financial year.

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 have been no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial year to-date other than the issuance and allotment of 1,463,629,199 Redeemable Convertible Preference Shares ("RCPS") at an issue price of RM0.325 per RCPS share on 31 December 2019 [see Note B8(ii)(c)] and the issuance and allotment of 96,480,983 new ordinary shares at an issue price of RM0.92 per rights share on 19 December 2019 [see note B8(ii)(a)].

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 period ended 31 December 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 ended 31 December 2019	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	-	239,510	45,510	-	285,020	-	285,020
Inter-segment revenue	1,050	-	47,813	4,744	53,607	(53,607)	-
Total revenue	1,050	239,510	93,323	4,744	338,627	(53,607)	285,020
Results							
Segment results	(1,504)	125,349	24,212	1,819	149,876	(10,360)	139,516
Finance costs	(8,943)	(498)	(9,642)	-	(19,083)	-	(19,083)
Inter-segment finance costs	(5,550)	-	(4,523)	-	(10,073)	8,243	(1,830)
Total finance costs	(14,493)	(498)	(14,165)	-	(29,156)	8,243	(20,913)
Finance income	92	648	375	2	1,117	-	1,117
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	92	648	375	2	1,117	-	1,117
(Loss)/profit before tax	**(15,905)**	**125,499**	**10,422**	**1,821**	**121,837**	**(2,117)**	**119,720**
Taxation							(42,506)
Profit after tax							**77,214**

A10. Segmental Information (Cont'd)

A10.1 Business Segment (Cont'd)

Corresponding quarter ended 31 December 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
Revenue							
External revenue	-	240,318	45,330	-	285,648	-	285,648
Inter-segment revenue	1,252	-	59,758	7,219	68,229	(68,229)	-
Total revenue	1,252	240,318	105,088	7,219	353,877	(68,229)	285,648
Results							
Segment results	(316)	112,576	30,630	3,054	145,944	(1,345)	144,599
Finance costs	(6,306)	-	(14,406)	-	(20,712)	6,266	(14,446)
Inter-segment finance costs	-	-	-	-	-	-	-
Finance costs	(6,306)	-	(14,406)	-	(21)	6,266	(14,446)
Finance income	127	436	514	6	1,083	-	1,083
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	127	436	514	6	1	-	1,083
(Loss)/profit before tax	**(6,495)**	**113,012**	**16,738**	**3,060**	**126,315**	**4,921**	**131,236**
Taxation							(29,909)
Profit after tax							**101,327**

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A10. Segmental Information (Cont'd)

A10.1 Business Segment (Cont'd)

Current 12 months ended 31 December 2019	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		857,490	188,693		1,046,183	-	1,046,183
Inter-segment revenue	4,771		181,377	14,398	200,546	(200,546)	-
Total revenue	4,771	857,490	370,070	14,398	1,246,729	(200,546)	1,046,183
Results							
Segment results	(1,945)	365,114	63,630	5,486	432,285	(32,356)	399,929
Finance costs	(24,105)	(1,300)	(42,601)		(68,006)		(68,006)
Inter-segment finance costs	(18,258)		(13,811)		(32,069)	30,238	(1,831)
Finance costs	(42,363)	(1,300)	(56,412)	-	(100,075)	30,238	(69,837)
Finance income	500	2,488	2,037	122	5,147	-	5,147
Inter-segment finance income					-		-
Finance income	500	2,488	2,037	122	5,147	-	5,147
(Loss)/profit before tax	**(43,808)**	**366,302**	**9,255**	**5,608**	**337,357**	**(2,118)**	**335,239**
Taxation							**(107,995)**
Profit after tax							**227,244**

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A10. Segmental Information (Cont'd)

A10.1 Business Segment (Cont'd)

Corresponding 12 months ended 31 December 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**
Revenue							
External revenue	-	817,457	120,184	-	937,641	-	937,641
Inter-segment revenue	5,032	-	191,830	21,959	218,821	(218,821)	-
Total revenue	5,032	817,457	312,014	21,959	1,156,462	(218,821)	937,641
Results							
Segment results	31	277,300	35,542	7,251	320,124	(27,223)	292,901
Finance costs	(35,632)	(6,067)	(58,868)	-	(100,567)	22,776	(77,791)
Inter-segment finance costs	-	-	-	-	-	-	-
Finance costs	(35,632)	(6,067)	(58,868)	-	(100,567)	22,776	(77,791)
Finance income	506	1,751	2,563	97	4,917	-	4,917
Inter-segment finance income	-	-	-	-	-	-	-
Finance income	506	1,751	2,563	97	4,917	-	4,917
(Loss)/profit before tax	**(35,095)**	**272,984**	**(20,763)**	**7,348**	**224,474**	**(4,447)**	**220,027**
Taxation							(71,972)
Profit after tax							**148,055**

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10. Segmental Information (Cont'd)

A10.2 Segment Assets and Liabilities

As at 31 December 2019	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	1,309,996	838,528	1,482,483	52,899	3,683,906	(763,066)	2,920,840
Deferred tax assets	-	-	20,054	-	20,054	-	20,054
Current tax assets	-	-	2,636	-	2,636	-	2,636
Total assets	**1,309,996**	**838,528**	**1,505,173**	**52,899**	**3,706,596**	**(763,066)**	**2,943,530**
Segment liabilities	666,046	(130,037)	233,023	(72)	768,960	447,440	1,216,400
Deferred tax liabilities	-	4,205	60,574	1,166	65,945	10,029	75,974
Current tax liabilities	219	42,245	3,517	225	46,206	2,926	49,132
Total liabilities	**666,265**	**(83,587)**	**297,114**	**1,319**	**881,111**	**460,395**	**1,341,506**

As at 31 December 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	809,347	634,020	1,558,520	49,024	3,050,911	(383,703)	2,667,208
Deferred tax assets	-	-	25,559	-	25,559	-	25,559
Current tax assets	195	-	3,742	438	4,375	-	4,375
Total assets	**809,542**	**634,020**	**1,587,821**	**49,462**	**3,080,845**	**(383,703)**	**2,697,142**
Segment liabilities	208,478	(43,196)	774,381	978	940,641	354,053	1,294,694
Deferred tax liabilities	-	4,205	60,734	1,166	66,105	7,671	73,776
Current tax liabilities	-	29,285	-	-	29,285	(422)	28,863
Total liabilities	**208,478**	**(9,706)**	**835,115**	**2,144**	**1,036,031**	**361,302**	**1,397,333**

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.

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

	Current quarter ended (unaudited)	Corresponding quarter ended (unaudited)	Current period-to-date (unaudited)	Corresponding period-to-date (unaudited)
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Type of services				
Topside maintenance services				
Schedule of rates	49,761	(29,179)	357,673	342,824
Lump sum	187,484	269,497	491,076	474,633
Cost plus	2,265	-	8,741	-
Marine offshore support services				
Chartering of vessels	43,999	42,585	183,195	114,711
Mobilisation and demobilisation fees	-	-	-	-
Others	1,511	2,745	5,498	5,473
	285,020	285,648	1,046,183	937,641
Timing of revenue recognition				
Services transferred over time				
Topside maintenance services				
Schedule of rates	49,761	(29,179)	357,673	342,824
Lump sum	187,484	269,497	491,076	474,633
Marine offshore support services				
Chartering of vessels	43,999	42,585	183,195	114,711
Others	1,511	2,745	5,498	5,473
Services transferred at the point in time				
Cost plus	2,265	-	8,741	-
	285,020	285,648	1,046,183	937,641

A11. Revenue (Cont'd)

A11.2 Nature of Services

The following information reflects the typical transactions of the Group.

Type of contracts	Timing of recognition or method used to recognise revenue	Significant payment terms
Lump sum	Revenue is recognised 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 2019 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 December 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 December 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.

A14. Capital commitments

As at 31 December 2019, the Group has the following capital commitment:

	31-Dec-19
	RM'000
Approved but not contracted for	13,000

A15. Material events subsequent to the reporting period

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

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A16. Changes in composition of the group

There were no changes in the composition of the Group for the current quarter ended 31 December 2019 except for:-

(i) Acquisition of 2,650,000 ordinary shares of USD2,706,400 in Mount Santubong Ltd ("MSL") from NFC Shipping Fund C LLC ("NFC") by a subsidiary of the Group, Perdana Jupiter Ltd ("PJL")

On 23 May 2019, Perdana Petroleum Bhd announced that its wholly-owned subsidiary, PJL has entered into a Share Sale Agreement ("SSA") with NFC to acquire 2,650,000 ordinary shares, representing 100% of the issued and paid up share capital of USD2,706,400 in MSL for a total cash consideration of USD1 (equivalent to RM4.18). The said acquisition was completed and MSL has effectively became a wholly owned subsidiary of PJL on 5 July 2019.

The acquisition gave rise to a one-off bargain purchase of RM10.6 million (see Note A4 and A6)

A17. Contingent Liabilities

There were no contingent liabilities outstanding as at 31 December 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 November 2019, the subsidiary of the Group has not received any response from the IRB to its reply of February 2017.

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A18. Significant Related Party Transactions

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

Transactions with Directors and a company in which certain Directors have substantial financial interests:-	Nature	Amount for 12 months ended 31 December 2019	Unsettled balance as at 31 December 2019
		RM'000	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	612	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	36	-
Kunci Prima Sdn Bhd (Directors and shareholders are Joe Ling Siew Loung @ Lin Shou Long, Ling Suk Kiong and his spouse Wong Siew Hong)	Rental of office in Miri	744	-
Tengku Dato' Yusof Bin Tengku Ahmad Shahruddin	Rental of office in Petaling Jaya	796	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	273	-
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	96	-
Clear Water Services Sdn Bhd	General trading specialising in oil and gas sector	3,806	481
		6,363	481

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

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 31-Dec-19	Corresponding Quarter ended 31-Dec-18	Variance	
	RM'000	RM'000	RM'000	%
Revenue	285,020	285,648	(628)	(0)
Gross profit	174,467	163,571	10,896	7
Profit before interest and tax	139,516	144,599	(5,083)	(4)
Profit before tax	119,720	131,236	(11,516)	(9)
Profit after tax	77,214	101,327	(24,113)	(24)
Profit attributable to Ordinary Equity Holders of the Parent	78,225	97,724	(19,499)	(20)

Comparatively, there was no increase in the Group's revenue for the current quarter ended 31 December 2019 as compared to the corresponding quarter of the preceding year. The group made a profit before tax of RM119.7 million for the current quarter as compared to profit before tax of RM131.2 million in the corresponding quarter ended 31 December 2018.

Whilst revenue remain constant, profit before tax for the current quarter decreased by RM11.5 million ie.9% . The Group recorded a lower profit before tax in the current quarter as a result of a one-off professional fees relating to the debt restructuring amounting to RM3.7 million as well as an allowance of impairment loss of PPE of RM2.8 million as compared to the reversal of impairment loss on PPE of RM20.8 million in the corresponding quarter.

The profit after tax in the current quarter has taken into account current year tax expense of RM37.2 million and deferred tax expense of RM5.3 million.

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 December 2019 and the date of this report.

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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 year-to-date 31-Dec-19 RM'000	Corresponding year-to-date 31-Dec-18 RM'000	Variance RM'000	%
Revenue	1,046,183	937,641	108,542	12
Gross profit	498,983	385,421	113,562	29
Profit before interest and tax	399,929	292,901	107,028	37
Profit before tax	335,239	220,027	115,212	52
Profit after tax	227,244	148,055	79,189	53
Profit attributable to Ordinary Equity Holders of the Parent	236,276	164,223	72,053	44

Revenue increased by 12% from RM937.6 million in the previous corresponding year-to-date to RM1.05 billion in the current year-to-date. The higher revenue in the current year as compared to the preceding year is mainly due to higher value of work order received and performed in the current year.

The Group's gross profit has increased by 29% from RM385.4 million in the preceding year to RM499 million for the current year ended 31 December 2019 mainly due higher profit margin on work orders received and performed during the current financial year as compared to the preceding year.

The Group has accounted for a gain on bargain purchase of RM18.8 million arising from the acquisition of a new subsidiary and a net realised/unrealised foreign exchange of RM1.1 million in the current year as compared to a net realised/unrealised foreign exchange gain of RM11.4 million in the preceding year. The profit before tax in the preceding year has also taken into account of amortization expenses of RM12.5 million. This has resulted in the lower profit before tax of RM220 million in the preceding year as compared to the higher profit before tax of RM335.2 million in the current year.

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

	Current Quarter ended 31-Dec-19 RM'000	Preceding Quarter ended 30-Sep-19 RM'000	Variance RM'000	%
Revenue	285,020	357,576	(72,556)	(20)
Gross profit	174,467	184,108	(9,641)	(5)
Profit before interest and tax	139,516	167,398	(27,882)	(17)
Profit before tax	119,720	151,596	(31,876)	(21)
Profit after tax	77,214	114,243	(37,029)	(32)
Profit attributable to Ordinary Equity Holders of the Parent	78,225	107,095	(28,870)	(27)

In the current quarter, the Group's revenue was 20% lower as compared to the preceding quarter. In the current quarter the Group made a profit before tax of RM119.7 million as compared to a profit before tax of RM151.6 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 maintenance contracts. The lower vessel utilisation is a result of lower work orders/contracts awarded from the oil majors during the fourth quarter of 2019.

The lower profit before tax of RM119.7 million in the current quarter is mainly attributed to the lower profit margin as a result of lower productivity and efficiency in work orders performed under the topside maintenance contracts.

B3. Prospects

Financial year 2019 has indeed turned out to be a great success as we achieved the best ever annual profits in the long history of Dayang. In spite of the external uncertainties and multiple headwinds from all directions, we have grown from strength to strength to hit the significant milestone, registering a massive 44% growth for our 2019 profits after a stellar performance in 2018. The strong growth momentum has been envisaged as we maintained and carefully executed our business plan throughout the year.

This remarkable achievement comes on the back of the robust 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). Consequently, vessel utilisation also came in stronger at 70% for 2019, as compared to 64% in 2018. Without exaggeration, this set of strong positive result was achieved thanks to essentially a good team work from every member of the company's work force; a clear display of team work working at its best and teamwork working at its finest.

Another important aspect was in the second half of 2019, more work orders with higher values were issued and executed as job momentum continued to pick up strongly. Therefore not surprisingly, for the very first time in our long history, Dayang Group is able to achieve our annual revenue exceeding the RM1 billion mark. Presumably, the combined strength and the synergistic collaboration between Dayang and its subsidiary, Perdana Petroleum is working well.

B3. Prospects (Cont'd)

Further, the ability to win two I-HUC contracts in December 2019 from Petronas Carigali reaffirmed the trust, confidence and support of our esteemed clients, especially Petronas. In early Feb 2020, we added on another contract by CARIGALI-PTTEPI Operating Company Sdn. Bhd. for the provision of modification works for Block B-17 & C-19 and B-17-01 for a period of three years with two years extension option. Both these replenishments of new contracts has increased our order book to an estimated RM4.5 billion to last us until 2023. This will positively enhance our prospects and earnings visibility over the next three years. We remain upbeat on the company's future prospects as Dayang will leverage on its strong execution track record to ride on the ramp-up in business activities.

After the completion of the group-wide debt restructuring, Dayang is now ready to embark on long-term growth plans to further maximise shareholder value given our more efficient capital structure. We are confident that our strong cash flow generation and healthier balance sheet will propel us to greater heights going forward and we should therefore be able to reward our faithful shareholders who have remained steadfast with us throughout this journey.

The Board remains committed in ensuring the Group continues to excel and to deliver yet another distinctive set of good result in 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	Corresponding quarter ended	Current period-to-date	Corresponding period-to-date
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current year	42,506	29,909	107,995	71,972

For the current quarter and financial period to-date, the Group still incurs a tax charge of RM42.5 million and RM107.9 million respectively 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 31-Dec-19 RM'000	Cummulative Year-to-date 31-Dec-19 RM'000
At beginning of the period	1,517	1,490
Change in fair value	4	31
Redemption	(1,521)	(1,521)
At end of the period	-	-

B8. Status of corporate proposal

(i) 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.

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.

B8. Status of corporate proposal (Cont'd)

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

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 scheme that have been agreed by the lenders are set out in the ensuing Notes B8(ii)(d).

On 17 December 2019, PPB announced that the debt restructuring exercise has been completed and PPB and its subsidiaries are discharged from CDRC's purview with effect from 16 December 2019.

(ii) Debt restructuring exercise

On 17 May 2019, Dayang Enterprise Holdings Bhd ("Dayang") announced that it proposes to undertake the following:-

(a) Proposed Rights Issue

Proposed renounceable rights issue of up to 96,480,983 new ordinary shares in Dayang Enterprise Holdings Bhd ("**Dayang Shares**") on the basis of 1 rights share for every 10 Dayang shares.

The Board had on the 7 November 2019 resolved to fix the issue price at RM0.92 per rights share and that the entitlement date for the rights issue to be 21 November 2019. On even date, Dayang has entered into an underwriting agreement with Kenanga IB ("Underwriter"), whereby the Underwriter will underwrite 46,702,945 rights shares, representing approximately 48.41% of the total rights shares available for subscription pursuant to the rights issue of shares.

The rights issue of shares has been completed on 19 December 2019 with the listing of and quotation for 96,480,983 rights shares on the main market of Bursa Securities.

B8. Status of corporate proposal (Cont'd)

(ii) Debt restructuring exercise (Cont'd)

(a) Proposed Rights Issue (Cont'd)

The total proceeds of RM88,762,504 raised were utilized in the following manner:

	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Remark	
	RM'000	RM'000		RM'000	
Partial repayment of bank borrowings	70,000	70,000	Within 3 months from the listing of the Rights Shares	-	
Working capital of the Group	4,685	16,962	Within 12 months from the listing of the Rights Shares	(12,277)	See *** below
Estimated expenses for Rights issue	2,500	1,801	Immediately	699	See *** below
	77,185	88,763		(11,578)	

*** Any variation to the actual proceeds raised are adjusted against the proceeds allocated for the working capital requirements of Dayang and its wholly owned subsidiaries.

(b) Proposed Private Placement

Proposed private placement of up to 96,480,983 new Dayang Shares, representing approximately 10.0% of the total number of issued shares of Dayang. On 10 February 2020, Dayang has applied for an extension of time of up to 26 August 2020 to complete the implementation of the private placement.

(c) Proposed Subscription

Proposed subscription of new redeemable convertible preference shares ("**RCPS**") of up to RM455.0 million in Perdana Petroleum Berhad ("**PPB**") at the entitlement basis and issue price to be determined later pursuant to the proposed rights issue of RCPS to be undertaken by PPB as detailed in item (d).

On 13 September 2019, Dayang has Issued the Notice of Extraordinary General Meeting ("EGM") and the circular to shareholders in relation to the Proposals. On 1 October 2019, all the resolutions prescribed in the Notice of EGM were duly passed by way of poll at the EGM convened by the Company.

B8. Status of corporate proposal (Cont'd)

(ii). Debt restructuring exercise (Cont'd)

On 22 October 2019 , Dayang has made a lodgement with the Securities Commission Malaysia ("**SC**") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued on 9 March 2015, effective on 15 June 2015 and revised on 11 October 2018) in relation to the establishment of the Sukuk Murabahah Programme and the issuance of Sukuk Murabahah ("New Sukuk") under the Sukuk Murabahah Programme thereafter.

The Sukuk Murabahah Programme shall have a tenure of eight (8) years and the first issuance under the programme will be made within sixty (60) business days from the lodgement date. The Sukuk Murabahah Programme will be unrated and is structured based on the Shariah principle of Murabahah (via Tawarruq arrangement).

Proceeds raised from the issuance of Sukuk Murabahah under the Sukuk Murabahah Programme shall be utilised to part finance the settlement sum (which shall include the principal and profit/interest amount due) for certain specified financing facilities of Dayang and its group of companies.

Maybank Investment Bank Bhd and United Overseas Bank (Malaysia) Bhd are the Joint Principal Advisers and Joint Lead Arrangers for the Sukuk Murabahah Programme

On 15 November 2019, the New Sukuk of RM682.50 million was successfully issued. Dayang had on the same day advanced RM365.0 million to PPB for the purpose of redeeming the outstanding PPB's Sukuk Murabahah of RM365.0 million.

The proceeds have been utilised for the repayment of the following facilities obtained by Dayang group (including PPB) as set out below:

Type of facility	**Proposed utilisation**	**Actual utilisation**	**Remark**	
	RM'000	RM'000	RM'000	
Commodity Murabahah Term Financiang-i	172,591	77,500	95,091	See *** below
Islamic short-term revolving credit-I facility	150,000	150,000	-	
Short term loan facility secured by Dayang for the 3rd tranche repayment of the PPB Sukuk Murabahah	90,000	90,000	-	
PPB Sukuk Murabahah	365,000	365,000	-	
Total		682,500		

*** The remaining balance were repaid via proceeds raised from the Rights issue of shares and from internally generated funds.

B8. Status of corporate proposal (Cont'd)

(ii). Debt restructuring exercise (Cont'd)

(d) Proposed Rights Issue of Redeemable Convertible Preference Shares ("RCPS"), Amendments to PPB's Constitution and Provision of Financial Assistance

On 17 May 2019, Perdana Petroleum Bhd ("PPB") announced and proposed to undertake the following:

(i) Proposed renounceable rights issue of new redeemable convertible preference shares("RCPS") to the entitled shareholders of the Company ("Entitled Shareholders") at an issue price and basis to be determined and announced later ("Proposed Rights Issue of RCPS"); and

(ii) Proposed amendments to the Constitution of the Company to facilitate the creation of the RCPS pursuant to the Proposed Rights Issue of RCPS ("Proposed Amendments").

PPB intends to raise a minimum gross proceeds of RM455.0 million and a maximum gross proceeds of RM506.0 million from the Proposed Rights Issue of RCPS.

The Proposed Rights Issue of RCPS entails the issuance of the RCPS to the shareholders of PPB whose names appear in the record of depositors of PPB on an entitlement date to be determined by PPB at a later date ("Entitlement Date") ("Entitled Shareholders") and/or their renouncee(s).

The Proposed Rights Issue of RCPS is intended to raise minimum gross proceeds of RM455.0 million whereby Dayang Enterprise Holdings Bhd ("Dayang") as the holding company and a major shareholder of PPB will undertake to subscribe for the RCPS up to the value of RM455.0 million ("Undertaking"). However, should all the Entitled Shareholders and/or their renouncee(s), where applicable subscribe in full for their respective entitlements under the Proposed Rights Issue of RCPS, PPB may potentially raise maximum gross proceeds of up to RM506.0 million.

The entitlement basis for the Proposed Rights Issue of RCPS ("Entitlement Basis") and the issue price of the RCPS ("Issue Price") have not been fixed at this juncture to provide flexibility to PPB in respect of the pricing of the RCPS due to potential share price movements. Pricing the RCPS closer to the implementation of the Proposed Rights Issue of RCPS will also enable the Issue Price to be more reflective of the prevailing market price of ordinary shares of PPB at that point in time. The Entitlement Basis and the Issue Price will be determined and announced by PPB before the Entitlement Date.

In addition, the RCPS will be provisionally allotted to the Entitled Shareholders on the Entitlement Date after obtaining all relevant approvals in respect of the Proposed Rights Issue of RCPS. The indicative salient terms of the RCPS are set out in the relevant announcement.

The Proposed Rights Issue of RCPS will allow PPB to repay part of Dayang's advances in an expeditious manner through a set-off arrangement, whereby Dayang's advances will be directly set off against the subscription monies due from Dayang pursuant to the Undertaking ("Set-Off Arrangement"). The repayment via the Set-Off Arrangement will reduce the liabilities of the Group without any cash outflow which is expected to improve the financial position of the Group and place it on a stronger financial footing.

On 10 July 2019, PPB has submitted an application to Bursa Securities seeking its approval for an extension of time to submit the additional listing application ("ALA") and draft circular for the Proposals ("Circular") to Bursa Securities.

B8. Status of corporate proposal (Cont'd)

(ii). Debt restructuring exercise (Cont'd)

(d) Proposed Rights Issue of Redeemable Convertible Preference Shares ("RCPS"), Amendments to PPB's Constitution and Provision of Financial Assistance (Cont'd)

On 22 July 2019, PPB further announced and proposed to provide financial assistance to Dayang in the form of corporate guarantees, indemnities and/ or collaterals for banking facilities obtained or to be obtained (as the case may be) by Dayang from licensed financial institutions, up to an aggregate amount of RM682.5 million (″Proposed Provision of Financial Assistance″).

As part of Dayang's group-wide debt restructuring exercise, Dayang proposed to undertake a subscription of RCPS of up to RM455.0 million in value pursuant to the Proposed Rights Issue of RCPS and undertake a proposed issuance of an unrated Islamic medium term notes of up to RM682.5 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) under a sukuk murabahah programme to be established ("Dayang Sukuk Programme"). The group-wide debt restructuring exercise of the Dayang Group aims to restructure and reschedule their loans and debt obligations to strengthen the financial position of the Dayang Group whereby part of the Dayang Sukuk Programme proceeds will be utilised for the early redemption of PPB's Sukuk Murabahah. As such, PPB will be required to undertake the Proposed Provision of Financial Assistance in favour of the relevant licensed financial institutions to facilitate the Dayang Sukuk Programme.

The Proposed Provision of Financial Assistance and the Proposed Rights Issue of RCPS together with the debt restructuring exercise will provide PPB a strong financial position to capitalise on the opportunities which are now emerging in the oil and gas industry. With an efficient capital structure, PPB and Dayang will have the flexibility to tap into the capital market for future fund raising opportunities and business expansion.

On 25 July 2019, Bursa Securities has vided its letter dated on the same day, approved PPB's application for an extension of time of up to 16 September 2019 to submit the ALA and draft Circular to Bursa Securities.

On 19 August 2019, PPB has submitted the Proposals application to Bursa Securities and an application to Bank Negara Malaysia ("BNM") for the issuance of the RCPS to the non-resident shareholders of the Company in relation to the Proposed Rights Issue of RCPS. Subsequently on 6 September 2019, Bursa Securities and BNM has vide their letters approved the Company's Proposals application and the issuance of the RCPS to the non-resident shareholders of PPB respectively. The terms and conditions of the approvals are set out in the relevant announcements dated 10 and 12 September 2019.

On 25 September 2019, PPB has issued the Notice of Extraordinary General Meeting ("EGM") and the Circular to shareholders in relation to the Proposals. On 17 October 2019, all the resolutions as prescribed in the Notice of EGM were duly passed by way of poll at the EGM convened by PPB.

Following the latest Proposals timeline, BNM has vide its letter dated 31 October 2019, approved PPB's application for an extension of time of up to January 2020 for the issuance of the RCPS to the non-resident shareholders of PPB pursuant to the Rights Issue of the RCPS.

On 15 November 2019, PPB has fully redeemed the outstanding Sukuk of RM365.0 million via an advance from Dayang pursuant to the issuance of Dayang Sukuk Programme on even date.

B8. Status of corporate proposal (Cont'd)

(ii). Debt restructuring exercise (Cont'd)

(d) Proposed Rights Issue of Redeemable Convertible Preference Shares ("RCPS"), Amendments to PPB's Constitution and Provision of Financial Assistance (Cont'd)

On 22 November 2019, PPB resolved to fix the following:

a) The entitlement basis for the Rights Issue of RCPS at 2 RCPS for every 1 of the ordinary share held on the entitlement date.

b) The issue price of the RCPS at RM0.325 per RCPS.; and

c) The conversion price of the RCPS at RM0.325 per RCPS and the conversion ratio at 1 new ordinary share for every 1 RCPS held.

The conversion price per new ordinary share is an amount equivalent to the issue price of the RCPS multiplied by the conversion ratio, which shall be deemed settled by way of set-off and hence the RCPS holders are not required to make any additional cash payment for the conversion of the RCPS into new ordinary shares.

On 30 December 2019, PPB announced that as at the close of acceptance, excess application and payment for the Rights Issue of the RCPS, the total valid acceptances and the total valid excess applications for the Rights Issue of RCPS were 1,463,629,199 RCPS, which represents a subscription of 94.01% over the total number of up to 1,556,941,898 RCPS available for subscription under the Rights Issue of RCPS.

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B8. Status of corporate proposal (Cont'd)

(ii). Debt restructuring exercise (Cont'd)

(d) Proposed Rights Issue of Redeemable Convertible Preference Shares ("RCPS"), Amendments to PPB's Constitution and Provision of Financial Assistance (Cont'd)

The RCPS has been completed on 8 January 2020 following the admission of the RCPS to the Official List of Bursa Securities and the listing of and quotation for 1,463,629,199 RCPS on the Main Market of Bursa Securities. The total proceeds of RM475,679,490 raised shall be utilised in the following manner:

	Proposed utilisation RM'000	**Actual utilisation** RM'000	**Intended time frame for utilisation**	**Remark** RM'000	
Set-off arrangement with Dayang	306,011	306,011	Immediately	-	
Partial repayment of advances owing to Dayang	149,989	149,989	Immediately	-	
Working capital *¹	49,506	18,978	Within 12 months	30,528	Available for use
Estimated expenses for the Proposal *²	1,500	1,701	Immediately	(201)	See *** below

*** The excess of actual utilisation of share issue expenses over the proposed utilisation will be deducted from the actual utilisation for working capital of the Group.

As of 14 February 2020, a total of 1,008,461,220 RCPS which represents 68.9% of the total RCPS subscribed, have been converted into ordinary shares of PPB. As such, PPB's total issued ordinary share capital has increased to 1,786,932,169 units.

Save for the above, there were no other corporate proposals announced but not completed as at 14 February 2020, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

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B9. Group borrowings

Total Group’s borrowings as at 31 December 2019 were as follows:

	As at 31-Dec-19		As at 31-Dec-18 #	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	81,900	-	438,528
Term loans	-	11,520	-	220,411
Term loans	4,384	17,946	16,424	68,011
Finance lease liabilities	-	-	30,117	124,713
Islamic facility		1,964		
Revolving credit	-	1,748	-	150,000
Unsecured				
Overdrafts				21,089
Revolving credit	-		-	42,000
	4,384	115,078	46,541	1,064,752
Non-current				
Secured				
Sukuk	-	578,016	-	-
Term loans	-	12,907	-	24,428
Term loans	22,359	91,539	-	-
Islamic facility	-	14,536	-	-
	22,359	696,998	-	24,428
Total	26,743	812,076	46,541	1,089,180

Exchange rate (USD: MYR): USD1: MYR4.094 USD1: MYR4.141

Source of reference: Bank Negara Malaysia Website

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

B9. Group borrowings (Cont'd)

As at 31 December 2019, the total outstanding borrowings have reduced to RM812.1 million as compared to RM1.1 billion as at 31 December 2018.

On 15 November 2019, the New Sukuk of RM682.50 million was successfully issued to repay the facility below:

Type of facility	RM'000
Commodity Murabahah Term Financiang-i	77,500
Islamic short-term revolving credit-I facility	150,000
Short term loan facility secured by Dayang for the 3rd tranche repayment of the PPB Sukuk Murabahah	90,000
PPB Sukuk Murabahah	365,000
Total	682,500

The successful completion of the Group's debt restructuring exercise involves the following:

(i) Dayang had on 15 November 2019 advanced RM365.0 million to PPB from the New Sukuk bond of RM682.50 million that was successfully issued on the same day. The amount advanced to PPB was for the purpose of redeeming the outstanding PPB's Sukuk Murabahah of RM365.0 million. The remaining balance of the New Sukuk has been used to settle off balance of Dayang's outstanding term loan.

(ii) Restructuring of PPB's lease arrangement form USD30.1 million (equivalent to RM124.7 million) to USD15.2 million (equivalent to RM62.3 million).

(iii) Refinancing of a USD term loan into a new Islamic facility of RM16.5 million.

(iv) Extension of tenure for the remaining term loans and a revolving credit.

As at 31 December 2018, the Group has not met certain covenants of three term loans and has not complied with certain terms of the Sukuk bond with a total carrying amount of RM715.4 million. As a result, the non-current portions of these term loans and the Sukuk bond of RM535.7 million have been reclassified to current liabilities as at 31 December 2018. As at 31 December 2019, the outstanding amount of two of the said three term loans has been fully settled and refinanced into a new Islamic facility amounting to RM16.5 million over a tenure of 7 years in August 2019 and another term loan restructured over a tenure of 2 years in December 2019. As a result, the Group has reclassified some of its borrowings amounting to RM106.1 million to non-current liabilities as at 31 December 2019 following the successful completion of the debt restructuring.

The New Sukuk bond, MYR denominated term loans and revolving credits are based on floating interest rate whereas the USD denominated term loan and Islamic facility are based on fixed interest rate.

B10. Material litigations

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2018 up to 14 February 2020, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

On 7 August 2018, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Datin Che Nariza Hajjar Hashim, Wong Fook Heng and Tiong Young Kong (the "Plaintiffs") 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.

On 29 May 2019, the High Court has allowed the Plaintiff's claim against the Company for the cost incurred on an indemnity basis in defending the suits (and the appeals emanated therefrom) since 2009. The total amount to be paid by the Company to the Plaintiffs including the costs and the allocator fee is RM2,652,447.13. The said amount has been fully settled in September 2019.

On 27 June 2019, the Company has filed a notice of appeal to the Court of Appeal against the decision made by the High Court. The Company's solicitors attended court on 13 August 2019 for case management and updated the court on the current progress of the appeal. This matter came up for e-review on 30 October 2019 before the Deputy Registrar of the Court of Appeal. The Court of Appeal was informed that the Company has yet to obtain the grounds of judgement from the High Court and that the Company has issued several reminders to the High Court. Therefore, the Court of Appeal has adjourned the matter to 17 December 2019 for further e-review and for the Company to update the Court of Appeal on the availability of the said grounds of judgement.

PPB has received the ground of judgment from the High Court in January 2020 and all the parties have agreed that the Company would file its supplementary record of appeal in the Court of Appeal by 2 March 2020.

The Appeal came up for e-review on 13 February 2020 and the Court of Appeal has fixed the Appeal for further e-review on 5 March 2020 for PPB to update the Court of Appeal on the status of filing of the said supplementary record of appeal. As at the latest practicable date of this report, the hearing date for the Appeal has not been fixed

B11. Dividend

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

B12. Earnings per share

Basic earnings per share	Current Quarter Ended 31-Dec-19	Corresponding Quarter Ended 31-Dec-18	Cumulative Period Ended 31-Dec-19	Corresponding Period Ended 31-Dec-18
Profit for the period attributable to Owners of the Company (RM'000)	78,225	97,724	236,276	164,223
Weighted average number of ordinary shares in issue ('000)	978,443	964,810	968,246	964,810
Basic earnings per share (sen)	7.99	10.13	24.40	17.02

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 21 February 2020

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