

ICON OFFSHORE BERHAD
(201201011310 (984830-D)) (Incorporated in Malaysia)

QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31st March 2024

ICON OFFSHORE BERHAD (201201011310 (984830-D))
(Incorporated in Malaysia)

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The Board of Directors of Icon Offshore Berhad (“ICON” or “the Group”) announce the following unaudited condensed consolidated financial statements for the first quarter and period ended 31st March 2024 which should be read in conjunction with the audited financial statements for the financial year ended 31st December 2023.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED (UNAUDITED) 31.03.2024	CORRESPONDING QUARTER ENDED (UNAUDITED) 31.03.2023	CURRENT PERIOD ENDED (UNAUDITED) 31.03.2024	CORRESPONDING PERIOD ENDED (UNAUDITED) 31.03.2023
	RM	RM	RM	RM
Revenue	30,542,807	43,325,157	30,542,807	43,325,157
Cost of sales	(46,308,363)	(35,470,377)	(46,308,363)	(35,470,377)
Gross profit	(15,765,556)	7,854,780	(15,765,556)	7,854,780
Other income	209,999	220,024	209,999	220,024
Administrative expenses	(7,674,488)	(5,742,343)	(7,674,488)	(5,742,343)
Reversal/(Impairment) on vessels (net)	-	(761,241)	-	(761,241)
(Loss)/Profit from operations	(23,230,045)	1,571,220	(23,230,045)	1,571,220
Finance costs	(3,284,810)	(3,845,477)	(3,284,810)	(3,845,477)
Loss before taxation	(26,514,855)	(2,274,257)	(26,514,855)	(2,274,257)
Taxation	870,288	(1,957,275)	870,288	(1,957,275)
Loss for the quarter/year	<u>(25,644,567)</u>	<u>(4,231,532)</u>	<u>(25,644,567)</u>	<u>(4,231,532)</u>
Other comprehensive income:				
Items that will be classified subsequently to profit or loss:				
Currency translation differences	<u>330,338</u>	<u>737,163</u>	<u>330,338</u>	<u>737,163</u>
Total comprehensive loss for the quarter/year	<u>(25,314,229)</u>	<u>(3,494,369)</u>	<u>(25,314,229)</u>	<u>(3,494,369)</u>

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (continued)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED (UNAUDITED) 31.03.2024 RM	CORRESPONDING QUARTER ENDED (UNAUDITED) 31.03.2023 RM	CURRENT PERIOD ENDED (UNAUDITED) 31.03.2024 RM	CORRESPONDING PERIOD ENDED (UNAUDITED) 31.03.2023 RM
Loss attributable to:				
- Equity holders of the Company	(23,601,210)	(4,254,862)	(23,601,210)	(4,254,862)
- Non-controlling interests	<u>(2,043,357)</u>	<u>23,330</u>	<u>(2,043,357)</u>	<u>23,330</u>
	<u>(25,644,567)</u>	<u>(4,231,532)</u>	<u>(25,644,567)</u>	<u>(4,231,532)</u>
Total comprehensive loss attributable to:				
- Equity holders of the Company	(23,432,738)	(4,003,508)	(23,432,738)	(4,003,508)
- Non-controlling interests	<u>(1,881,491)</u>	<u>509,139</u>	<u>(1,881,491)</u>	<u>509,139</u>
	<u>(25,314,229)</u>	<u>(3,494,369)</u>	<u>(25,314,229)</u>	<u>(3,494,369)</u>
Loss per share attributable to the ordinary equity holders of the Company:				
Basic/Diluted loss per share (sen)	<u>(4.36)</u>	<u>(0.16)</u>	<u>(4.36)</u>	<u>(0.16)</u>

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 31.03.2024 RM	AUDITED AS AT 31.12.2023 RM
Non-current assets		
Property, plant and equipment	488,720,920	492,008,149
Cash and bank balances	32,211,660	-
Right-of-use assets	329,417	469,287
Deferred tax assets	18,303,001	18,052,782
	<u>539,564,998</u>	<u>510,530,218</u>
Current assets		
Inventories	3,309,515	4,271,023
Trade and other receivables	51,720,302	48,295,244
Tax recoverable	4,489,597	4,337,901
Cash and bank balances	66,293,877	147,358,131
	<u>125,813,291</u>	<u>204,262,299</u>
Asset Held for Sale	-	11,934,000
	<u>125,813,291</u>	<u>216,196,299</u>
Less: Current liabilities		
Trade and other payables	56,913,236	47,748,457
Dividend payable	-	27,081,874
Lease liabilities	354,076	504,987
Borrowings	45,919,275	248,795,659
Taxation payable	1,872,088	1,731,880
	<u>105,058,675</u>	<u>325,862,857</u>
Net current assets/(liabilities)	20,754,616	(109,666,558)
Less: Non-current liabilities		
Lease liabilities	60,991	49,950
Borrowings	185,595,204	-
Deferred tax liabilities	22,534,336	23,485,306
	<u>208,190,531</u>	<u>23,535,256</u>
	<u><u>352,129,083</u></u>	<u><u>377,328,404</u></u>

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31st March 2024

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	UNAUDITED AS AT 31.03.2024 RM	AUDITED AS AT 31.12.2023 RM
Equity attributable to equity holders of the Company		
Share capital	317,941,247	317,941,247
Warrants reserve	32,725,739	32,725,739
Currency translation reserve	3,249,668	3,081,196
Share based payment reserve	82,020	39,163
Capital contribution reserve	7,685,597	7,613,546
Accumulated losses	(39,662,418)	(16,061,208)
Non-controlling interest	30,107,230	31,988,721
Total equity	352,129,083	377,328,404

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to equity holders of the Company

	Issued and fully paid ordinary shares	Non-distributable					Distributable	Non- controlling interest RM	Total equity RM
		Share capital RM	Warrants reserve RM	Currency translation reserve RM	Share based payment reserve RM	Capital contribution RM	Accumulated losses RM		
<u>Group</u>									
At 1 January 2024	317,941,147	32,725,739	3,081,196	39,163	7,613,546	(16,061,208)	31,988,721	377,328,404	
Profit for the financial year	-	-	-	-	-	(23,601,210)	(2,043,357)	(25,644,567)	
Currency translation differences, representing total income and expense recognised directly in equity	-	-	168,472	-	-	-	161,866	330,338	
Total comprehensive income for the financial year	-	-	168,472	-	-	(23,601,210)	(1,881,491)	(25,314,229)	
Issuance of shares under ESOS	-	-	-	42,857	72,051	-	-	114,908	
At 31 March 2024	<u>317,941,247</u>	<u>32,725,739</u>	<u>3,249,668</u>	<u>82,020</u>	<u>7,685,597</u>	<u>(39,662,418)</u>	<u>30,107,230</u>	<u>352,129,083</u>	

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

Attributable to equity holders of the Company

<u>Group</u>	<u>Issued and fully paid ordinary shares</u>						<u>Distributable</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	<u>Share capital</u> RM	<u>Warrants reserve</u> RM	<u>Currency translation reserve</u> RM	<u>Share based payment reserve</u> RM	<u>Non-distributable Capital contribution</u> RM	<u>Accumulated losses</u> RM	<u>RM</u>	<u>RM</u>	<u>RM</u>
At 1 January 2023	1,147,277,391	32,725,839	2,180,272	123,664	6,420,484	(823,835,512)	37,630,137	402,522,275	
Profit for the financial year	-	-	-	-	-	4,856,178	1,860,402	6,716,580	
Currency translation differences, representing total income and expense recognised directly in equity	-	-	900,924	-	-	-	865,595	1,766,519	
Total comprehensive income for the financial year	-	-	900,924	-	-	4,856,178	2,725,997	8,483,099	
Issuance of shares under ESOS	663,426	-	-	(301,776)	-	-	-	361,650	
Employees' Share Grant Plan and Employees' Share Option Scheme	-	-	-	340,939	1,069,398	-	-	1,410,337	
Dividend	-	-	-	-	-	(27,081,874)	(8,367,413)	(35,449,287)	
Capital Reduction	(830,000,000)	-	-	-	-	830,000,000	-	-	
Warrant Exercised	430	(100)	-	-	-	-	-	330	
Reclass from Share Base Payment Reserve to Capital Contribution	-	-	-	(123,664)	123,664	-	-	-	
At 31 December 2023	<u>317,941,247</u>	<u>32,725,739</u>	<u>3,081,196</u>	<u>39,163</u>	<u>7,613,546</u>	<u>(16,061,208)</u>	<u>31,988,721</u>	<u>377,328,404</u>	

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED (UNAUDITED) 31.03.2024 RM	CORRESPONDING PERIOD ENDED (UNAUDITED) 31.03.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(26,514,855)	(2,274,257)
Adjustments for:		
Depreciation of property, plant and equipment	16,105,644	12,275,756
Depreciation of right-of-use assets	139,870	136,006
Interest expense	3,284,810	3,845,477
Interest income	(209,445)	(128,979)
Impairment loss on vessels	-	761,241
Impairment of receivables (net)	2,233,875	-
Unrealised gain on foreign exchange	(190,986)	(336,876)
Share-based payment expense	114,908	-
Operating profit before working capital changes	(5,036,179)	14,278,368
Changes in working capital:		
Decrease in inventories	961,508	994,640
Decrease/(Increase) in receivables	(5,849,625)	3,647,150
Increase/(Decrease) in payables	11,467,348	(4,101,987)
Cash generated from operations	1,543,052	14,818,171
Tax paid	(168,394)	(499,286)
Tax refund	16,696	243,206
Net cash generated from operating activities	1,391,354	14,562,091
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	12,213,238	-
Purchase of property, plant and equipment	(11,974,228)	-
Interest received	209,445	128,979
Net cash generated from investing activities	448,455	128,979
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(170,033)	(136,007)
Repayment of borrowings	(16,764,265)	(3,882,912)
Interest paid	(3,743,038)	(2,581,307)
Issuance of shares	-	178,500
Decrease/(Increase) in deposits pledged as security	19,758,345	(8,030,908)
Dividend paid	(27,081,874)	-
Dividend paid to non-controlling interest	(2,500,000)	-
Net cash used in financing activities	(30,500,865)	(14,452,634)
Effects of changes in foreign exchange rates	(433,193)	282
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(29,094,249)	238,718
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	79,631,583	85,705,304
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	50,537,334	85,944,022
Deposit pledged as security	47,968,203	70,792,979
CASH AND BANK BALANCES	98,505,537	156,737,001

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31st March 2024

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134**

1. BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the requirements of MFRS 134, “Interim Financial Reporting”, paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirement (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31st December 2023.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31st December 2023, except on the following:

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial year beginning after 1st January 2023.

- MFRS 17 ‘Insurance Contracts’ and its amendments
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements - Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
- International Tax Reform - Pillar Two Model Rules Amendments to MFRS 112

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial year beginning after 1st January 2024.

- Amendment to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-current
- Amendments to MFRS 121 ‘The effects of changes in foreign exchange rates’ - Lack of exchangeability

None of these are expected to have a significant effect on the consolidated financial statements of the Group.

2. SEASONAL/CYCLICAL FACTORS

The principal activities of the Group are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries. Group performances are subject to the adverse weather conditions such as the monsoon season in the first and fourth quarter of the year.

3. UNUSUAL ITEMS

No unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the quarter ended 31st March 2024.

4. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimate of amounts reported in the prior financial year that have a material effect in the quarter ended 31st March 2024.

5. DEBT AND EQUITY SECURITIES

There were no debt and equity securities issued in the quarter ended 31st March 2024.

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**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

6. DIVIDEND PAID

The interim single-tier dividend was paid by the Group amounted to RM27.1 million on 9 January 2024 in respect to the financial year ended 2023.

7. SEGMENT RESULTS AND REPORTING

7.1 Geographical Information

The Group operations are carried out predominantly in Malaysia. Revenue earned by the Group analysed by the location of its external customers is as follows:

	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	CURRENT QUARTER ENDED		CORRESPONDING QUARTER ENDED		CURRENT PERIOD ENDED		CORRESPONDING PERIOD ENDED	
	31.03.2024		31.03.2023		31.03.2024		31.03.2023	
	%	RM	%	RM	%	RM	%	RM
Revenue								
Malaysia	78	23,891,281	63	27,323,701	78	23,891,281	63	27,323,701
Brunei	22	6,651,526	37	16,001,456	22	6,651,526	37	16,001,456
Total	100	30,542,807	100	43,325,157	100	30,542,807	100	43,325,157

8. TAXATION

	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	CURRENT QUARTER ENDED		CORRESPONDING QUARTER ENDED		CURRENT PERIOD ENDED		CORRESPONDING PERIOD ENDED	
	31.03.2024		31.03.2023		31.03.2024		31.03.2023	
	RM		RM		RM		RM	
Current tax	133,149		146,429		133,149		146,429	
Deferred tax	(1,003,437)		1,810,846		(1,003,437)		1,810,846	
Tax expense for the financial period/year	(870,288)		1,957,275		(870,288)		1,957,275	
Effective tax rate	-3%		86%		-3%		86%	

Negative tax rate for the current quarter is due to tax credit deriving from the loss entity while prior year quarter is above the statutory tax rate of 24% due to non-deductibility of certain expenses incurred.

9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group as at 31st March 2024

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**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

10. CAPITAL COMMITMENTS

The Group capital commitments not provided for in the interim financial statements as at the end of the period are as follows:

	AS AT 31.03.2024	AS AT 31.03.2023
	RM	RM
Approved and contracted capital expenditure commitments	19,540,647	4,008,871

11. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

On 26 March 2024, Liannex Maritime Sdn. Bhd. acquired 272,000,000 ordinary shares in the Company from Hallmark Odyssey Sdn. Bhd. via a direct business transaction. With effect from 26 March 2024, the Directors regard Liannex Maritime Sdn. Bhd., a company incorporated in Malaysia as the immediate holding company, and Liannex Corporation (S) Pte Ltd, a company incorporated in Singapore as the ultimate holding company.

The related parties of, and their relationships with the Company as at 31 March 2024 are as follows:

<u>Related parties</u>	<u>Relationship</u>
Liannex Corporation (S) Pte Ltd	Ultimate holding company
Liannex Maritime Sdn Bhd	Immediate holding company
Yayasan Ekuiti Nasional	Ultimate holding foundation
Ekuiti Capital Sdn Bhd	Intermediate holding company
E-Cap (Internal) Three Sdn. Bhd.	Intermediate holding company
Hallmark Odyssey Sdn. Bhd.	Immediate holding company
Sempena Fokus Sdn Bhd	Fellow subsidiary
Icon Ship Management Sdn. Bhd.	Subsidiary
Icon Fleet Sdn. Bhd.	Subsidiary
Icon Offshore Group Sdn. Bhd.	Subsidiary

11.1 Significant related party balances

There are no significant related party balances arising from normal business transactions.

11.2 Significant related party transactions

There are no significant related party transactions arising from normal business transactions.

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**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

12. FAIR VALUE MEASUREMENTS

The table below shows the carrying amounts and fair value of the borrowings, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the borrowings are estimated using the income approach, by discounting the cash flows based on the market interest rates of a comparable instrument. This is a Level 2 fair value measurement.

	Carrying amount		Fair Value	
	AS AT 31.03.2024	AS AT 31.12.2023	AS AT 31.03.2024	AS AT 31.12.2023
	RM	RM	RM	RM
Fixed rate term loans	40,373,499	64,649,664	46,845,785	54,294,476

13. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the quarter ended 31st March 2024. All the property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses.

14. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

There were no other material events subsequent to the end of the quarter.

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31st March 2024, the Group did not have any material contingent liabilities or assets.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS**

1. ANALYSIS OF PERFORMANCE

1.1 Review of performance for the current quarter (Quarter ended 31st March 2024) against the prior year corresponding quarter (Quarter ended 31st March 2023):

(i) Revenue

The Group revenue decreased by RM12.8 million or 30%, from RM43.3 million in the prior year corresponding quarter to RM30.5 million in the current quarter, mainly due to low utilisation of vessels (late start of chartering due to monsoon season and planned maintenance). Overall utilisation for the current quarter was at 50% compared to 71% in the prior year corresponding quarter.

(ii) Profit after taxation

The Group recorded loss after taxation of RM25.6 million in the current quarter compared to loss after tax of RM4.2 million in the prior year corresponding quarter. The significant increase in the loss after taxation was due to additional provision amounting to RM13.1 million related to charter of replacement vessels and impairment of receivables.

1.2 Review of performance for the current quarter (Quarter ended 31st March 2024) against the preceding quarter (Quarter ended 31st December 2023):

	INDIVIDUAL QUARTER	
	CURRENT QUARTER ENDED 31.03.2024 RM	PRECEDING QUARTER ENDED 31.12.2023 RM
Revenue	30,542,807	42,164,899
Profit after tax	(25,644,567)	(1,998,166)

The Group revenue decreased by RM11.6 million or 28% from RM42.1 million in the preceding quarter ended 31st December 2023 to RM30.5 million in the current quarter ended 31st March 2024 mainly due to lower utilisation of vessels (late start of chartering due to monsoon season and planned maintenance)

The Group loss after tax in the current quarter of RM25.6 million worsen as compared to loss after tax of RM2.0 million in preceding quarter as a result of lower revenue, and additional provision related to charter of a replacement vessel and impairment of receivables.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

2. PROSPECTS FOR THE GROUP

The Group foresees stronger performance for the remaining quarters of the financial year supported by sustainable crude oil prices and strong oil & gas activity. The Group remains committed to its core business strategies by focusing on operational improvement, cost optimisation and conserving cash to register stable business and financial performance.

As at 31st March 2024, the Group's Order Book remains healthy at RM322.0 million for its OSV Segment with Long Term Contracts representing 87% of the Order Book.

The Board of Directors remains focused on initiatives to improve the OSV business as well as synergistic business opportunities, on the back of favorable outlook in the oil and gas sector.

3. PROFIT FORECAST

Not applicable as the Group did not publish any profit forecast.

4. QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification to the preceding audited annual financial statements for the financial year ended 31st December 2023.

ICON OFFSHORE BERHAD (201201011310 (984830-D))
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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31st March 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

5. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before taxation is stated after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.03.2024	CORRESPONDING QUARTER ENDED 31.03.2023	CURRENT PERIOD ENDED 31.03.2024	CORRESPONDING PERIOD ENDED 31.03.2023
	RM	RM	RM	RM
Depreciation of property, plant and equipment	16,105,644	12,275,756	16,105,644	12,275,756
Depreciation of right-of- use assets	139,870	136,006	139,870	136,006
Interest income	(209,445)	(128,979)	(209,445)	(128,979)
Interest expense	3,284,810	3,845,477	3,284,810	3,845,477
Impairment loss on vessels	-	761,241	-	761,241
(Reversal)/Impairment of receivables (net)	2,233,875	-	2,233,875	-
Realised loss on foreign exchange	257,384	5,791	257,384	5,791
Unrealised gain on foreign exchange	(190,986)	(336,876)	(190,986)	(336,876)

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no impairment of other assets or any other exceptional items for the current quarter under review.

6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

(a) As per announcement dated 18 October 2022, the Company completed all the corporate proposals for disposal of 101 Perisai Pacific 101, a jack up rig by ICON CAREN (L) Inc on 22 November 2022 in accordance with the term and conditions contained in the SPA:

The following table summarises the utilisation of proceeds from the disposal:-

Purpose	Estimated Timeframe for Utilisation (months)	Proposed Utilisation (RM '000)	Actual Utilisation (RM '000)	Variance (RM '000)
(i) Redemption and discharge of existing mortgage over the Rig	1 month	159,200	159,968	(768)
(ii) Distribution to shareholder of ICON	6 months	180,000	181,225	(1,225)
(iii) General corporate and working capital requirement	24 months	40,119	-	40,119
(iv) Estimation expenses in relation to the Proposed Disposal	Immediate	14,571	13,732	839
TOTAL		393,890	354,925	38,965

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

6. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

(b) The Company has on 15 May 2023 announced the circular/notice to shareholders on the proposed Termination of the Company's Existing Employees' Share Scheme, proposed Establishment of a New Long-Term Incentive Plan ("LTIP") of up to 5% of the total number of Issued Shares in the Company, proposed Allocation of LTIP Award to Dato' Sri Hadian bin Hashim, the Managing Director of the Company. The Company had subsequently announced on 31 May 2023, that the shareholders' approval on the proposals have been obtained via an Extraordinary Meeting. On 8 August 2023, the Company announced that the effective date of the implementation of the LTIP was fixed on the same day of this announcement. In furtherance to that, another announcement has been made on 9 October 2023, that the Company has grant Employee Share Option Scheme to Dato' Sri Hadian, the Managing Director of the Company to subscribe the new ordinary shares. The Company has made further announcement on 14 December 2023 offered ordinary shares under Employees' Share Grant Plan (ESGP) to the MD. On 8 January 2024 and 1 March 2024, the company has made further announcement to offered ordinary shares under Employees's Share Grant Plan (ESGP) to the eligible persons of the company.

7. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds from drawdown (net of transaction costs) amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

	AS AT 31.03.2024	AS AT 31.12.2023
	RM	RM
Short term:		
<u>Secured</u>		
Bank borrowings		
- term loans	35,390,784	238,328,251
Redeemable preference shares	10,528,491	10,467,408
	45,919,275	248,795,659
Long-term:		
<u>Secured</u>		
Bank borrowings		
- term loans	185,595,204	-
	185,595,204	-
Total borrowings	231,514,479	248,795,659

As at 31 December 2023, long-term borrowings of RM202,937,467 were classified as short-term borrowings due to a technical breach of a covenant of several loans with a bank. The Group has on 28 February 2024 received the waiver from complying with the said loan covenant for the year ended 31 December 2023 and as of that date borrowings totaling RM179,039,607 have been reclassified to long-term borrowings. Should the waiver letter be received before year-end, short-term borrowings of RM202,937,467 would have been reclassified to long-term borrowings resulting in the Group being in a net current asset position of RM61,887,950.

The Group has on 28 February 2024 received the waiver form complying with the said loan covenant for the year ended 31 December 2023 and as of that date borrowings totaling RM179,039,607 have been reclassified to long-term borrowings.

As at 31st March 2024, the Group has provided bank guarantees, tender bonds and bid bonds amounting to RM8.2 million primarily due to the tendering for new contracts, as financial guarantee for the performance of our charter contracts by ICON's subsidiaries and corporate guarantees for loans obtained by ICON's subsidiaries. All borrowings of the Group are denominated in MYR.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31st March 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter ended 31st March 2024.

8. CHANGES IN MATERIAL LITIGATION

(i) Icon Offshore Group Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.

Icon Offshore Group Sdn. Bhd. (“IOG”), a wholly-owned subsidiary of Icon Offshore Berhad, had on 21 February 2022 filed a winding up petition at Shah Alam High Court pursuant to Sections 464(1)(b), 465(1)(e) and 466(1)(a) of the Companies Act 2016 against Sapura Offshore Sdn. Bhd. (“Sapura Offshore”) due to the failure on the part of the Respondent to pay the total sum of RM3,620,085 to IOG.

Case Management was held on 8 June 2022 wherein IOG was informed that Sapura Offshore had obtained Ex-parte Restraining Order for 9 months and would expire on 10 March 2023. On 8 March 2023, there was another Case Management and Sapura Offshore has obtained another Ex-parte Restraining Order for 3 months and the next Case Management is fixed on 11 June 2023. Further extension of Restraining Order has been obtained by Sapura Offshore on 6 June 2023 for 9 months until 10 March 2024 and next management Case Management is fixed on 14 March 2024. Prior to the Case Management which was fixed on 14 March 2024, Sapura group has obtained an Ex-parte Restraining Order dated 7 March 2024 for another 3 months until 10 June 2024. As such the Court has now fixed the matter for case management on 14 June 2024.

(ii) Icon Offshore Group Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd.

Icon Offshore Group Sdn. Bhd., a wholly-owned subsidiary of Icon Offshore Berhad, had on 24 February 2022 initiated an action towards Sapura Pinewell Sdn. Bhd. (“Sapura Pinewell”) for an amount outstanding of RM2,842,272 due to failure on Sapura Pinewell to pay the amount outstanding. A Judgment in Default was entered wherein Sapura Pinewell has to pay IOG the total sum of RM2,842,272 together with the interest at the rate of 1% on the outstanding amounts for each invoices from date of maturity until date of judgment and interest at the rate of 5% on RM2,842,272 from date of judgment until full settlement.

Upon failure of Sapura Pinewell to comply with the payment pursuant to the Judgment in Default and noting the Restraining Order was granted by the High Court of Malaya to Sapura Energy and its subsidiaries which includes Sapura Pinewell under Sections 366 and 368 of the Companies Act 2016. Case Management was held on 8 June 2022 wherein IOG was informed that Sapura Pinewell had obtained Ex-parte Restraining Order for 9 months and would expire on 10 March 2023. On 8 March 2023, there was another Case Management and Sapura Pinewell has obtained another Ex-parte Restraining Order for 3 months and the next Case Management is fixed on 11 June 2023. Further extension of Restraining Order has been obtained by Sapura Pinewell on 6 June 2023 for 9 months until 10 March 2024 and next management Case Management is fixed on 14 March 2024. Prior to the Case Management which was fixed on 14 March 2024, Sapura group has obtained an Ex-parte Restraining Order dated 7 March 2024 for another 3 months until 10 June 2024. As such the Court has now fixed the matter for case management on 14 June 2024.

9. DIVIDEND

The Board of Directors has declared an interim single-tier dividend of 5 sen per ordinary share for the preceding financial year ended 31 December 2023 approximately RM27.1 million. The interim single-tier dividend was paid on 9 January 2024.

No interim dividend has been proposed or declared for the current period of financial year ended 31 December 2024.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

10. EARNINGS PER SHARE (“EPS”)

The basic (loss)/earnings per share (EPS) has been calculated based on the consolidated profit attributable to equity holders of the Company and divided by the weighted number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.03.2024	CORRESPONDING QUARTER ENDED 31.03.2023	CURRENT PERIOD ENDED 31.03.2024	CORRESPONDING PERIOD ENDED 31.03.2023
Loss attributable to equity holders (RM)	(23,601,210)	(4,254,862)	(23,601,210)	(4,254,862)
Weighted average number of ordinary shares in issue	<u>541,637,488</u>	<u>2,705,805,173</u>	<u>541,637,488</u>	<u>2,705,805,173</u>
Basic/Diluted (loss)/earnings per share(EPS) (sen)	<u>(4.36)</u>	<u>(0.16)</u>	<u>(4.36)</u>	<u>(0.16)</u>

BY ORDER OF THE BOARD

Dato' Sri Hadian Hashim
Managing Director
23rd May 2024