

**All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.**

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your PPB Shares, you should at once hand this Abridged Prospectus, together with the NPA and the RSF (collectively, the "Documents") to the agent or broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue of RCPS should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of RCPS or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue of RCPS. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue of RCPS was obtained at our EGM held on 17 October 2019. BNM had vide its letter 6 September 2019 approved the issuance of the RCPS to our non-resident shareholders pursuant to the Rights Issue of RCPS. The approval from Bursa Securities has also been obtained vide its letter dated 6 September 2019 for the admission of the RCPS to the Official List of Bursa Securities and the listing of and quotation for the RCPS and the new PPB Shares arising from the conversion of the RCPS pursuant to the Rights Issue of RCPS on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of RCPS, and shall not be taken as an indication of the merits of the Rights Issue of RCPS. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the RCPS to the Official List of Bursa Securities and the listing of and quotation for all the RCPS arising from the Rights Issue of RCPS on the Main Market of Bursa Securities will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Friday, 6 December 2019. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of RCPS complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the RCPS would result in a contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) should note the additional terms and restrictions as set out in Section 10.12 of this Abridged Prospectus. Neither we, Kenanga IB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the RCPS made by the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

**FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.**



## PERDANA PETROLEUM BERHAD

(Company No. 372113-A)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,556,941,898 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") IN PERDANA PETROLEUM BERHAD ("PPB") ON THE BASIS OF 2 RCPS FOR EVERY 1 EXISTING ORDINARY SHARE IN PPB HELD AS AT 5.00 P.M. ON FRIDAY, 6 DECEMBER 2019 AT AN ISSUE PRICE OF RM0.325 PER RCPS**

*Principal Adviser*

# kenanga

**Kenanga Investment Bank Berhad**

Company No. 15678-H

(A Participating Organisation of Bursa Malaysia Securities Berhad)

#### **IMPORTANT RELEVANT DAYS, DATES AND TIMES:-**

Entitlement Date	: Friday, 6 December 2019 at 5.00 p.m.
<b>Last day, date and time for:-</b>	
Sale of Provisional RCPS	: Friday, 13 December 2019 at 5.00 p.m.
Transfer of Provisional RCPS	: Tuesday, 17 December 2019 at 4.30 p.m.
Acceptance and payment	: Monday, 23 December 2019 at 5.00 p.m.
Excess application and payment	: Monday, 23 December 2019 at 5.00 p.m.

This Abridged Prospectus is dated 6 December 2019

***All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.***

**OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE OF RCPS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, OUR DIRECTORS CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENTS IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.**

**KENANGA IB, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE OF RCPS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE OF RCPS.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENTS IN THE RIGHTS ISSUE OF RCPS AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

**YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF RCPS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA IS RESPONSIBLE.**

**THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF RCPS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

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**DEFINITIONS**


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Except where the context otherwise requires, the following definitions and abbreviations apply throughout this Abridged Prospectus:-

"Abridged Prospectus"	:	This Abridged Prospectus dated 6 December 2019 issued by our Company in relation to the Rights Issue of RCPS
"Act"	:	Companies Act, 2016
"AHTS"	:	Anchor handling tug and supply vessel
"AWB"	:	Accommodation work barge
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of our Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and for dealings in such securities by the depositor
"Closing Date"	:	Monday, 23 December 2019 at 5.00 p.m., being the last day, date and time for the acceptance of and payment for the Provisional RCPS and the Excess RCPS
"CMSA"	:	Capital Markets and Services Act, 2007
"Corporate Exercises"	:	Rights Issue of RCPS, amendments to our Company's Constitution to facilitate the issuance of RCPS and provision of financial assistance by our Company to Dayang in the form of corporate guarantees, indemnities and collaterals for the Dayang Sukuk Programme of RM682.5 million
"Datuk Amar"	:	Datuk Amar Abdul Hamed Bin Sepawi, an indirect major shareholder of our Company
"Datuk Hasmi"	:	Datuk Hasmi Bin Hasnan, a Director and an indirect major shareholder of our Company
"Datuk Ling"	:	Datuk Ling Suk Kiong, a Director and an indirect major shareholder of our Company
"Dayang" or the "Undertaking Shareholder"	:	Dayang Enterprise Holdings Bhd, the holding company and a direct major shareholder of our Company
"Dayang Additional Undertaking"	:	Additional irrevocable written undertaking provided by the Undertaking Shareholder vide its letter dated 12 July 2019 that it will subscribe for additional RCPS that are not taken up or are not validly taken up by other Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) of up to 458,426,700 RCPS by way of Excess Application pursuant to the Rights Issue of RCPS

**DEFINITIONS (CONT'D)**

"Dayang Group"	:	Dayang and its subsidiary companies (including our Group), collectively
"Dayang Shares"	:	Ordinary shares in Dayang
"Dayang Subscription"	:	Subscription by Dayang of the RCPS of up to RM455,000,000 in value pursuant to the Undertakings via the Set-off Arrangement for the Rights Issue of RCPS
"Dayang Sukuk Programme"	:	Issuance of an unrated islamic medium term notes under a sukuk murabahah programme of RM682.5 million in nominal value based on the Shariah principle of murabahah (via a Tawarruq arrangement) undertaken by Dayang and subscribed by licensed financial institutions for a tenure of up to 8 years from the date of first issuance pursuant to the group-wide debt restructuring exercise undertaken by the Dayang Group currently. The unrated islamic medium term notes under the Dayang Sukuk Programme have been fully issued on 15 November 2019
"Dayang Undertaking"	:	Irrevocable written undertaking provided by the Undertaking Shareholder vide its letter dated 12 July 2019 that it will subscribe for the RCPS in full for its entitlement of 941,573,300 RCPS based on its shareholdings as at the Entitlement Date pursuant to the Rights Issue of RCPS
"Director"	:	A natural person who holds directorship in our Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
"Documents"	:	This Abridged Prospectus, together with the NPA and RSF, collectively
"e-NPA"	:	Electronic NPA
"e-RSF"	:	Electronic RSF
"e-Subscription"	:	Electronic Subscription
"Electronic Subscription"	:	Subscribe for Provisional RCPS and/ or Excess RCPS through TIH Online
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholders"	:	Our shareholders who are registered as members and whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	:	Friday, 6 December 2019 at 5.00 p.m. being the day, date and time on which the name of our Entitled Shareholders appear in our Record of Depositors in order to participate in the Rights Issue of RCPS
"EPS"	:	Earnings per PPB Share
"Excess Application"	:	Application for Excess RCPS as set out in Section 10.9 of this Abridged Prospectus

**DEFINITIONS (CONT'D)**

"Excess RCPS"	:	Provisional RCPS which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) by the Closing Date, prior to the Excess Application
"Foreign Entitled Shareholders"	:	Entitled Shareholders who have not provided us with a registered address in Malaysia
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended or ending, as the case may be
"Joe Ling"	:	Joe Ling Siew Loung @ Lin Shou Long, an indirect major shareholder of our Company
"Kenanga IB" or "Principal Adviser"	:	Kenanga Investment Bank Berhad
"LBT"	:	Loss before taxation
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	19 November 2019, being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
"Market Day"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
"Maximum Scenario"	:	Assuming the Rights Issue of RCPS is undertaken on a full subscription level basis whereby it is fully subscribed by the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable)
"Minimum Scenario"	:	Assuming the Rights Issue of RCPS is undertaken on a Minimum Subscription Level basis whereby it is only subscribed by the Undertaking Shareholder pursuant to the Undertakings
"Minimum Subscription Level"	:	The minimum level of subscription of 1,400,000,000 RCPS by the Undertaking Shareholder based on the Undertakings pursuant to the Rights Issue of RCPS
"NA"	:	Net assets attributable to ordinary equity holders of our company
"Naim Holdings"	:	Naim Holdings Berhad, a direct substantial shareholder of our Company and an indirect major shareholder of our Company
"NPA"	:	Notice of provisional allotment of RCPS pursuant to the Rights Issue of RCPS
"O & G"	:	Oil and gas
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities
"PETRONAS"	:	Petroliam Nasional Berhad

**DEFINITIONS (CONT'D)**

"PETRONAS Carigali"	:	PETRONAS Carigali Sdn Bhd, a wholly-owned subsidiary of PETRONAS
"PPB" or the "Company"	:	Perdana Petroleum Berhad, a 60.48%-owned subsidiary of Dayang
"PPB Group" or the "Group"	:	PPB and its subsidiary companies, collectively
"PPB Repayment 2019"	:	The 3 <sup>rd</sup> tranche repayment of the Sukuk Murabahah of RM90.0 million which was due on 26 April 2019. The PPB Repayment 2019 was made via the amount advanced by Dayang, and is regarded as an amount owing by our Company to Dayang
"PPB Settlement"	:	The early and full redemption of the Sukuk Murabahah of RM365.0 million on 15 November 2019. The PPB Settlement was made via the amount advanced by Dayang via proceeds raised from the Dayang Sukuk Programme, and is regarded as an amount owing by our Company to Dayang
"PPB Shares"	:	Ordinary shares in PPB
"Provisional RCPS"	:	RCPS provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of RCPS
"RCPS"	:	Up to 1,556,941,898 new redeemable convertible preference shares to be issued by our Company pursuant to the Rights Issue of RCPS
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"Registered Entitled Shareholders"	:	Entitled Shareholders who are the registered user of TIIH Online
"Rights Issue of RCPS"	:	Renounceable rights issue of up to 1,556,941,898 new RCPS in our Company on the basis of 2 RCPS for every 1 existing PPB Share held on the Entitlement Date at an issue price of RM0.325 per RCPS
"RSF"	:	Rights Subscription Form in relation to the Rights Issue of RCPS
"Rules of Bursa Depository"	:	The rules of Bursa Depository as issued pursuant to the SICDA
"SC"	:	Securities Commission Malaysia
"Set-off Arrangement"	:	The direct set-off of up to RM455.0 million from the advances owing by our Company to Dayang against the capital outlay required by Dayang based on the Undertakings pursuant to the Rights Issue of RCPS. For the avoidance of doubt, Dayang had earlier advanced an amount of RM455.0 million to our Company for the PPB Repayment 2019 and the PPB Settlement prior to the implementation of the Rights Issue of RCPS
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991

**DEFINITIONS (CONT'D)**

"Sukuk Murabahah"	:	A rated Islamic medium term notes, namely sukuk murabahah of RM635.0 million in nominal value, which was issued by our Company on 28 April 2016 and is constituted by a trust deed dated 8 April 2016 entered into between our Company and the trustee for the holders of the said Sukuk Murabahah. The Sukuk Murabahah had been fully redeemed by our Company pursuant to the PPB Settlement via proceeds raised from the Dayang Sukuk Programme
"Tengku Dato' Yusof"	:	YM Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin, an indirect major shareholder of PPB
"TIIH Online"	:	Tricor's propriety owned application to facilitate Entitled Shareholders to subscribe for the RCPS provisionally allotted and to apply for Excess RCPS electronically
"Tricor" or "Registrar"	:	Tricor Investor & Issuing House Services Sdn Bhd
"Undertakings"	:	The Dayang Undertaking and the Dayang Additional Undertaking to achieve the Minimum Subscription Level, collectively
"VWAMP"	:	Volume weighted average market price
"WB"	:	Work boat

**CURRENCIES**

"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"USD"	:	United States Dollar

All references to "our Company" or "PPB" in this Abridged Prospectus are to Perdana Petroleum Berhad, and references to "our Group" or "PPB Group" are to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are to our Company, or where the context otherwise requires, our Group or any of our subsidiary companies.

All references to "you" and "your" in this Abridged Prospectus are to the Entitled Shareholders and/ or, where the context otherwise requires, their renounees and/ or transferees (if applicable).

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any references to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted. Any reference to time of day or date in this Abridged Prospectus shall be a reference to Malaysian time of day and date respectively, unless otherwise specified.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

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**ADVISERS' DIRECTORY**

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- COMPANY SECRETARY** : Leong Oi Wah (MAICSA 7023802)  
SSM Practising Certificate No. 201908000717  
802, 8<sup>th</sup> Floor  
Block C, Kelana Square  
17, Jalan SS7/26  
47301 Petaling Jaya  
Selangor Darul Ehsan  
  
Tel. No.: 03-7803 1126  
Fax. No.: 03-7806 1387
- PRINCIPAL ADVISER** : Kenanga Investment Bank Berhad  
Level 17, Kenanga Tower  
237, Jalan Tun Razak  
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Tel. No.: 03-2172 2888  
Fax. No.: 03-2172 2999
- SOLICITORS** : Adnan Sundra & Low  
Level 11, Menara Olympia  
No. 8, Jalan Raja Chulan  
50200 Kuala Lumpur  
  
Tel. No.: 03-2070 0466  
Fax. No.: 03-2078 3382
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
  
Tel. No.: 03-2783 9299  
Fax. No.: 03-2783 9222
- INDEPENDENT ADVISER** : Public Investment Bank Berhad  
25<sup>th</sup> Floor, Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur  
  
Tel. No.: 03-2166 9382  
Fax. No.: 03-2166 9386
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

## SUMMARY OF THE RIGHTS ISSUE OF RCPS

**THIS SUMMARY OF THE RIGHTS ISSUE OF RCPS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.**

### i. Number of RCPS to be issued and basis of allotment

The Rights Issue of RCPS entails the issuance of up to 1,556,941,898 RCPS on a renounceable basis of 2 RCPS for every 1 existing PPB Share held by the Entitled Shareholders on the Entitlement Date.

Please refer to Section 2.1 of the Abridged Prospectus for further information.

### ii. Issue price, conversion price and conversion ratio of the RCPS

Our Board has fixed the following pursuant to the Rights Issue of RCPS:-

- the issue price of the RCPS at RM0.325 per RCPS;
- the conversion price of the RCPS at RM0.325 per RCPS;
- the conversion ratio of 1 new PPB Share for every 1 RCPS held; and
- our Company shall have the option to redeem the RCPS in cash at 100% of the issue price of the RCPS, in whole or in part (but always in the same proportion in relation to each RCPS holder), at any time during the tenure of the RCPS.

Please refer to Section 2.2 and Appendix I of this Abridged Prospectus for further information.

### iii. Substantial shareholder's undertakings and underwriting arrangement

Our Board has determined to undertake the Rights Issue of RCPS on the Minimum Subscription Level basis. As such, our Company has procured the Undertakings from the Undertaking Shareholder to meet the Minimum Subscription Level as set out below:-

Dayang's shareholding as at the LPD		Entitlement under the Rights Issue of RCPS and the Dayang Undertaking (A)		Dayang Additional Undertaking (B)		Total RCPS to be subscribed pursuant to the Undertakings (A + B)		Capital outlay required <sup>*1</sup>
No. of PPB Shares	%	No. of RCPS	%	No. of RCPS	%	No. of RCPS	%	RM
470,786,650	60.5	941,573,300	67.3	458,426,700	32.7	1,400,000,000	100.0	455,000,000

#### Note:-

\*1 Calculated based on the issue price of RM0.325 per RCPS

In view that the Minimum Subscription Level will be satisfied by the Undertaking Shareholder pursuant to the Undertakings, we will not procure any underwriting arrangement for the remaining RCPS not subscribed by the other Entitled Shareholders and/ or their renounees and/ or transferees (if applicable).

Please refer to Section 3 of this Abridged Prospectus for further information.

### iv. Utilisation of proceeds

The total gross proceeds of up to approximately RM506.0 million to be raised from the Rights Issue of RCPS will be utilised in the manner as set out in the following page:-

**SUMMARY OF THE RIGHTS ISSUE OF RCPS (CONT'D)**

Description of utilisation	Minimum Scenario		Maximum Scenario		Expected time frame for utilisation (from the date of listing of the RCPS)
	RM'000	%	RM'000	%	
Set-off Arrangement	455,000	100.0	306,011	60.5	Immediately
Partial repayment of the advances owing by our Company to Dayang	-	-	148,989	29.4	Immediately
Working capital requirements	-	-	49,506	9.8	Within 12 months
Estimated expenses for the Corporate Exercises	-	-	1,500	0.3	Immediately
<b>Total gross proceeds</b>	<b>455,000</b>	<b>100.0</b>	<b>506,006</b>	<b>100.0</b>	

Please refer to Section 4 of this Abridged Prospectus for further information.

**v. Rationale for the Rights Issue of RCPS**

The Rights Issue of RCPS forms part of the group-wide debt restructuring exercise involving Dayang and our Company currently. The Rights Issue of RCPS will enable our Company to capitalise and/ or reduce up to RM455.0 million of the advances owing by our Company to Dayang into the RCPS via the Set-off Arrangement and partial repayment via cash proceeds.

Please refer to Section 5 of this Abridged Prospectus for further information.

**vi. Risk factors**

You should carefully consider, amongst others, the following risk factors before subscribing for or investing in the Rights Issue of RCPS:-

- a) **Fulfilling debt obligations in the event of a delay or non-completion of our Group's debt restructuring exercise.** In the event the completion of our Group's debt restructuring exercise is delayed or is not completed within the expected timeframe, and assuming our lenders have not approved the deferment of part of the borrowings due, we may not be able to generate sufficient cash flows or obtain alternative sources of funding to meet our repayment obligations due; and
- b) **Non-compliance with public shareholding spread.** The conversion of the RCPS by Dayang into new PPB Shares under the Minimum Scenario may result in Dayang's shareholdings exceeding 75% of the enlarged number of PPB Shares in issue, in which case, our Company would not be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements.

Please refer to Section 6 of this Abridged Prospectus for further information.

**vii. Procedures for application for the RCPS and Excess RCPS**

Acceptance of and payment for the Provisional RCPS allotted to you and application for the Excess RCPS must be made by way of the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions of the RSF or by way of e-Subscription and must conform to the terms and conditions of TIIH Online contained therein.

The last day, date and time for acceptance of and payment for the Provisional RCPS and the Excess RCPS is on **Monday, 23 December 2019 at 5.00 p.m.**

Please refer to Section 10 of this Abridged Prospectus for further information.



**PERDANA PETROLEUM BERHAD**

(Company No. 372113-A)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

**Registered Office**

Level 15, Block 2  
VSQ @ PJCC, Jalan Utara  
46200 Petaling Jaya  
Selangor Darul Ehsan

6 December 2019

**Board of Directors**

Datuk Ling Suk Kiong (*Executive Chairman*)  
Bailey Kho Chung Siang (*Executive Director*)  
Alias Bin Mat Lazin (*Executive Director*)  
Datuk Hasmi Bin Hasnan (*Non-Independent Non-Executive Director*)  
Chin Chee Kong (*Non-Independent Non-Executive Director*)  
Datuk Dr Abd Hapiz Bin Abdullah (*Independent Non-Executive Director*)  
Datuk Mohd Jafni Bin Mohd Alias (*Independent Non-Executive Director*)  
Dato' Gerald Hans Isaac (*Independent Non-Executive Director*)

**To: Our Entitled Shareholders**

Dear Sir/ Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,556,941,898 NEW RCPS ON THE BASIS OF 2 RCPS FOR EVERY 1 EXISTING PPB SHARE HELD AS AT 5.00 P.M. ON FRIDAY, 6 DECEMBER 2019 AT AN ISSUE PRICE OF RM0.325 PER RCPS**

**1. INTRODUCTION**

On 17 May 2019, Kenanga IB had on behalf of our Board, announced that our Company proposes to undertake the Rights Issue of RCPS and the amendments of the Constitution of our Company to facilitate the issuance of RCPS.

Further, on 22 July 2019, Kenanga IB had on behalf of our Board, announced that our Company proposes to undertake a provision of financial assistance by our Company to Dayang in the form of corporate guarantees, indemnities and collaterals for the Dayang Sukuk Programme of RM682.5 million.

The Corporate Exercises are undertaken as part of the group-wide debt restructuring exercise undertaken by the Dayang Group currently.

On 10 September 2019, Kenanga IB had on behalf of our Board, announced that Bursa Securities had vide its letter dated 6 September 2019 (which was received on 10 September 2019) resolved to approve the following:-

- i. admission of up to 1,946,177,372 RCPS arising from the Rights Issue of RCPS to the Official List of Bursa Securities; and

- ii. listing of and quotation for:-
    - a) up to 1,946,177,372 RCPS to be issued pursuant to the Rights Issue of RCPS; and
    - b) up to 1,946,177,372 new PPB Shares to be issued pursuant to the conversion of the RCPS,
- on the Main Market of Bursa Securities.

The above approval from Bursa Securities was sought based on the the aggregate value of up to RM506,006,117 for the RCPS to be issued and the following parameters as stated in our announcement dated 17 May 2019 in relation to the Rights Issue of RCPS:-

- i. the indicative entitlement basis at 5 RCPS for every 2 existing PPB Shares held;
- ii. the indicative issue price of RM0.26 per RCPS; and
- iii. the indicative conversion ratio of 1 new PPB Share for every 1 RCPS held.

Nonetheless, the abovementioned indicative entitlement basis for the Rights Issue of RCPS and the indicative issue price of the RCPS should not be regarded as an indication or reference to the final entitlement basis for the Rights Issue of RCPS and the final issue price for the RCPS.

The approval from Bursa Securities is subject to the conditions as set out below:-

No.	Conditions	Status of compliance
i.	Our Company and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises	To be complied
ii.	Our Company and Kenanga IB to inform Bursa Securities upon completion of the Corporate Exercises	To be complied
iii.	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed	To be complied
iv.	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of RCPS as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

On 12 September 2019, Kenanga IB had on behalf of our Board, announced that BNM had vide its letter dated 6 September 2019 (which was received on 12 September 2019) approved the issuance of the RCPS to the non-resident shareholders of our Company pursuant to the Rights Issue of RCPS. The approval from BNM ("BNM Approval") is subject to the following conditions:-

Condition	Status of compliance
Our Company must obtain BNM's prior approval for the following:-	
i. any changes to the terms of the RCPS and the utilisation of proceeds to be raised from the Rights Issue of RCPS, as set out in the approval letter from BNM; and	To be complied

Condition	Status of compliance
ii. the issuance of the RCPS after December 2019.	Complied. BNM had, vide its letter dated 31 October 2019, approved an extension of time of up to January 2020 for the issuance of the RCPS

The BNM Approval shall be automatically revoked if:-

- i. any information or document submitted by our Company at the time of its application or after the approval is granted is found to be false, inaccurate, incomplete or misleading, or contains any material error or omission;
- ii. the proceeds of the Rights Issue of RCPS are used for the purposes other than for the direct set-off of the advances owing by our Company to Dayang against the capital outlay required by Dayang pursuant to the Rights Issue of RCPS, partial repayment of the advances owing to Dayang and working capital requirements of our Group<sup>\*1</sup>; and

**Note:-**

\*1 For the avoidance of doubt, the BNM Approval was granted to also include the utilisation of proceeds for the estimated expenses of the Corporate Exercises under the Maximum Scenario

- iii. Our Company amends any of the terms of the Rights Issue of RCPS, including the utilisation of proceeds, without obtaining BNM's prior approval.

Our Company notes that:-

- i. We may redeem the RCPS in foreign currency (other than in the national currency of Israel) or RM. Notwithstanding the foregoing, where redemption is made in RM, the payment must be made into external accounts of the non-resident shareholders of our Company;
- ii. Any conversion of foreign currency into RM or vice versa must be carried out by a licensed onshore bank (i.e. commercial bank, investment bank or Islamic bank other than an international Islamic bank) ("Licensed Onshore Bank");
- iii. We must ensure that any foreign currency hedging contract to be entered into by our non-resident shareholders is entered into with a Licensed Onshore Bank or an appointed overseas office; and
- iv. We must notify BNM of the date of issuance of the RCPS and the actual subscription amount of our non-resident shareholders after the RCPS are issued.

Our Company is also to note that legal action may be taken against our Company under sub-section 214(9) of the Financial Services Act 2013 in the event our Company fails to comply with any of the above conditions in relation to the BNM Approval.

The Rights Issue of RCPS is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, our Board had on 17 May 2019 appointed Public Investment Bank Berhad as the Independent Adviser to advise our non-interested Directors and non-interested shareholders on the fairness and reasonableness of the Rights Issue of RCPS.

On 17 October 2019, our shareholders had approved the Corporate Exercises at our EGM.

On 22 November 2019, Kenanga IB had on behalf of our Board, announced the following:-

- i. the entitlement basis of the Rights Issue of RCPS has been fixed at 2 RCPS for every 1 PPB Share held by the Entitled Shareholders on the Entitlement Date;
- ii. the issue price of the RCPS has been fixed at RM0.325 per RCPS;
- iii. the conversion ratio has been fixed at 1 new PPB Share for every 1 RCPS held; and
- iv. the entitlement date has been fixed on Friday, 6 December 2019 at 5.00 p.m. together with the other relevant dates pertaining to the Rights Issue of RCPS.

The admission of the RCPS to the Official List of Bursa Securities and the listing of and quotation for the RCPS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue of RCPS and if given or made, such information or representation must not be relied upon as having been authorised by our Company or Kenanga IB.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

## **2. DETAILS OF THE RIGHTS ISSUE OF RCPS**

### **2.1 Rights Issue of RCPS**

The Rights Issue of RCPS entails the issuance of up to 1,556,941,898 new RCPS at an issue price of RM0.325 per RCPS on a renounceable basis of 2 RCPS for every 1 existing PPB Share held by the Entitled Shareholders on the Entitlement Date. The Rights Issue of RCPS is to be undertaken on a Minimum Subscription Level basis as detailed in Section 3 of this Abridged Prospectus.

The Rights Issue of RCPS is renounceable in full or in part. Accordingly, the Entitled Shareholders may subscribe for and/ or renounce their respective entitlements under the Rights Issue of RCPS in full or in part. Any unsubscribed RCPS will be made available to other Entitled Shareholders and/ or their renounees and/ or transferees (if applicable), via the Excess Application. Fractional entitlements of the RCPS arising from the Rights Issue of RCPS, if any, shall be disregarded and dealt with in such manner as our Board, in their absolute discretion deems fit, expedient, and to be in the best interest of our Company. It is the intention of our Board to allocate the Excess RCPS, if any, in a fair and equitable manner, and on a basis as set out in Section 10.9 of this Abridged Prospectus.

As the RCPS are prescribed securities, your CDS Account will be duly credited with the number of Provisional RCPS which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of RCPS. You will find enclosed in this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional RCPS as well as to apply for the Excess RCPS if you choose to do so.



An electronic notification on the Rights Issue of RCPS will also be sent to all Registered Entitled Shareholders on the date of despatch of the Abridged Prospectus, NPA and RSF. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF and the electronic notification.

Any dealings in our securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the RCPS will be credited directly into the respective CDS Accounts of the successful applicants. However, no physical certificates will be issued.

We will allot and issue the RCPS and despatch the notices of allotment to the successful applicants within 8 Market Days from the last date for acceptance of and payment for the RCPS or such other period as may be prescribed by Bursa Securities. The listing of and quotation for the RCPS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

The salient terms of the RCPS are set out in Appendix I of this Abridged Prospectus.

## **2.2 Basis of determining the entitlement basis for the Rights Issue of RCPS, issue price for the RCPS and the conversion price and the conversion ratio of the RCPS**

### **2.2.1 Entitlement basis**

Our Board has fixed the entitlement basis for the Rights Issue of RCPS at 2 RCPS for every 1 existing PPB Share held at the Entitlement Date. The entitlement basis was arrived at after taking into consideration the maximum aggregate value of up to RM506,006,117 for the RCPS to be issued.

### **2.2.2 Issue price**

Our Board has fixed the issue price of the RCPS at RM0.325 per RCPS. This represents a discount of RM0.135 or approximately 29.35% to the 5-day VWAMP of PPB Shares up to and including 21 November 2019, being the last Market Day immediately preceding the price-fixing date, of RM0.460 per PPB Share.

The issue price of the RCPS was determined and fixed by our Board after taking into consideration the following:-

- i. the minimum amount of RM455,000,000 in value of the RCPS to be issued from the Rights Issue of RCPS for the Set-off Arrangement and/ or partial repayment of the advances owing by our Company to Dayang, details of which are set out in Section 4 of this Abridged Prospectus; and
- ii. the issue price of the RCPS is deemed to be sufficiently attractive to encourage the subscription of the RCPS by the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable). Our Board has also taken into consideration the prevailing market conditions and market prices of PPB Shares at the price-fixing date and the maximum allowable discount of not more than 30% to the 5-day VWAMP of PPB Shares up to and including 21 November 2019, being the last Market Day immediately preceding the price-fixing date.

### **2.2.3 Conversion price and conversion ratio**

Our Board has fixed the conversion price of the RCPS at RM0.325 per RCPS and the conversion ratio at 1 new PPB Share for every 1 RCPS held. This represents a discount of RM0.135 or approximately 29.35% to the 5-day VWAMP of PPB Shares up to and including 21 November 2019, being the last Market Day immediately preceding the price-fixing date, of RM0.460 per PPB Share.

The conversion price per new PPB 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. For the avoidance of doubt, RCPS holders are not required to make any additional cash payment for the conversion of any RCPS into new PPB Shares.

Based on the conversion ratio of 1 new PPB Share for every 1 RCPS held, 1,400,000,000 and 1,556,941,898 new PPB Shares will be issued upon conversion of the RCPS over the tenure of the RCPS under the Minimum Scenario and Maximum Scenario, respectively.

### **2.3 Ranking of the RCPS and new PPB Shares to be issued arising from the conversion of the RCPS**

The RCPS shall, upon allotment and issue, be unsecured and rank *pari passu* in all respects with each other but in priority to all ordinary shares of our Company but shall rank behind all secured and unsecured obligations of our Company. The RCPS holders shall not be entitled to participate in any distributions (including profits) beyond such rights as are expressly set out herein and/ or offer of further securities in our Company by way of rights until and unless such RCPS has been converted into new PPB Shares.

In the event of any liquidation, dissolution or winding up of our Company (including a merger or consolidation and a sale, lease, transfer, exclusive licence or other disposition of all or substantially all of the assets of our Company), the RCPS holders shall be paid in priority to all holder of ordinary shares cash repayment in full up to the amount equivalent to the redemption sum from the sale proceeds after the repayment and discharge of all debts and liabilities of our Company and the costs of winding up or such capital reduction exercise.

The new PPB Shares to be issued arising from the conversion of the RCPS will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued PPB Shares. However, such new PPB Shares to be issued arising from the conversion of the RCPS will not be entitled to any dividends, rights, allotments and/ or any other distributions unless such new PPB Shares to be issued arising from the conversion of the RCPS were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions.

## **3. SHAREHOLDER'S UNDERTAKINGS AND UNDERWRITING ARRANGEMENT**

Our Board has determined to undertake the Rights Issue of RCPS on the Minimum Subscription Level basis via the issuance of 1,400,000,000 RCPS at the issue price of RM0.325 per RCPS. The Minimum Subscription Level basis has been determined by our Board after taking into consideration the Dayang Subscription which forms part of the Dayang Sukuk Programme pursuant to the group-wide debt restructuring exercise undertaken by the Dayang Group currently.

### 3.1 Substantial shareholder's undertakings and underwriting arrangement

Dayang is our holding company holding approximately 60.48% equity interest in our Company as at the LPD. The Undertaking Shareholder had, vide its letter dated 12 July 2019, provided its written irrevocable Undertakings for the following:-

- i. Dayang Undertaking, whereby Dayang will subscribe for its entitlements under the Rights Issue of RCPS of 941,573,300 RCPS to be issued based on its shareholdings on the Entitlement Date; and
- ii. Dayang Additional Undertaking, whereby Dayang will subscribe for up to an additional 458,426,700 RCPS by way of Excess Application.

As the Rights Issue of RCPS will be undertaken on a Minimum Subscription Level basis, our Company will not procure any underwriting arrangement for the remaining portion of RCPS which are not subscribed for by other Entitled Shareholders and/ or their renounees and/ or transferees (if applicable).

A summary of the Undertakings is set out below:-

Dayang's shareholding as at the LPD		Entitlement under the Rights Issue of RCPS and Dayang Undertaking (A)		Dayang Additional Undertaking (B)		Total RCPS to be subscribed pursuant to the Undertakings (A + B)		Capital outlay required <sup>3</sup>
No. of PPB Shares	% <sup>1</sup>	No. of RCPS	% <sup>2</sup>	No. of RCPS	% <sup>2</sup>	No. of RCPS	%	RM
470,786,650	60.5	941,573,300	67.3	458,426,700	32.7	1,400,000,000	100.0	455,000,000

#### Notes:-

- \*1 Calculated based on 778,470,949 issued PPB Shares as at the LPD
- \*2 Calculated based on 1,400,000,000 RCPS to be issued pursuant to the Rights Issue of RCPS under the Minimum Scenario
- \*3 Calculated based on the issue price of RM0.325 per RCPS

For information purposes, only in the event of shortfall in the number of RCPS subscribed (including the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) respective entitlements and any Excess RCPS applied for but excluding the Dayang Additional Undertaking) as at the Closing Date, the Dayang Additional Undertaking shall then crystallise whereby Dayang shall apply via the Excess Application (to fulfil its obligation under the Dayang Additional Undertaking) to subscribe for additional RCPS not taken up or are not validly taken up by other Entitled Shareholders and/ or their renounees and/ or transferees (if applicable).

For the avoidance of doubt, the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) (excluding Dayang pursuant to its Dayang Additional Undertaking), shall be given the first priority and shall first be allocated with all the Excess RCPS applied for, if any. Upon completion of the allocation of such Excess RCPS to the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) (excluding Dayang pursuant to its Dayang Additional Undertaking), Dayang shall then apply and be allocated for the remaining number of unsubscribed RCPS, if any, pursuant to its Dayang Additional Undertaking. In other words, in the event of an under-subscription pursuant to the Rights Issue of RCPS, all RCPS and any Excess RCPS applied by the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) (excluding Dayang pursuant to its Dayang Additional Undertaking) shall be allocated in full based on their respective application and thereafter, Dayang shall be allocated the balance number of undersubscribed RCPS, if any, pursuant to its Dayang Additional Undertaking.

However, in the event of an over-subscription pursuant to the Rights Issue of RCPS (i.e. the number of RCPS and Excess RCPS, if any, applied for is more than the 1,556,941,898 RCPS available for subscription under the Maximum Scenario), the Dayang Additional Undertaking will not crystallise. In such circumstances, our Board will allot the Excess RCPS, if any, in a fair and equitable manner and on a basis as set out in Section 10.9 of this Abridged Prospectus.

The Undertakings for the Rights Issue of RCPS will not give rise to any mandatory general offer obligation by Dayang pursuant to the Malaysian Code on Take-Overs and Mergers, 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions as our Company is a 60.48%-owned subsidiary of Dayang as at the LPD. In the event of full conversion of the RCPS by Dayang under the Minimum Scenario, the shareholdings of Dayang in our Company will increase further from 60.48% to 85.88%.

The public shareholding spread of PPB will still be in compliance with the minimum public shareholding spread requirement of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the Rights Issue of RCPS as the issuance and allotment of the RCPS will not have any impact on the issued share capital of PPB. However, should the conversion of the RCPS by the Undertaking Shareholder into new PPB Shares result in the shareholdings of the Undertaking Shareholder exceeding 75% of the enlarged number of PPB Shares in issue, PPB would not be in compliance with the minimum public shareholding spread requirement of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements.

For information purposes, the public shareholding spread of our Company is 29.6% as at the LPD and may reduce to 10.6% upon full conversion of the RCPS by Dayang under the Minimum Scenario.

A listed issuer which fails to maintain the public shareholding spread requirement as set out above may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. If Bursa Securities does not grant the requested extension of time, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements for breach of Paragraph 8.02(1) of the Listing Requirements and may at its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. Notwithstanding this, any non-compliance with the public shareholding spread requirement would not automatically result in the delisting of our Company from the Official List of Bursa Securities. The risk of non-compliance with public shareholding spread of our Company is set out in Section 6.1.2 of the Abridged Prospectus.

However, Dayang is mindful of the public shareholding spread requirement and in this respect, Dayang endeavours to monitor and ensure that its dealing in the conversion of the RCPS into new PPB Shares, if any, and as and when, during the tenure of the RCPS would not result in our Company being in breach of the public shareholding spread requirement.

### **3.2 Subscription consideration**

Dayang undertakes to subscribe for up to 1,400,000,000 RCPS to be issued by our Company based on its Undertakings pursuant to the Rights Issue of RCPS under the Minimum Scenario. The subscription consideration by Dayang will be RM455.0 million under the Minimum Scenario or RM306.0 million under the Maximum Scenario pursuant to the Undertakings.

The subscription consideration by Dayang will be satisfied entirely via the Set-off Arrangement between Dayang and our Company whereby the capital outlay required by Dayang for the subscription of the RCPS pursuant to the Rights Issue of RCPS shall be capitalised against the advances owing by our Company to Dayang.

For information purposes, Dayang had earlier advanced to our Company an amount of RM90.0 million for the PPB Repayment 2019 and an amount of RM365.0 million for the PPB Settlement. The PPB Repayment 2019 and the PPB Settlement, collectively, form part of the group-wide debt restructuring exercise undertaken by the Dayang Group currently.

Accordingly, there will be no cash inflow for our Company for the Undertakings pursuant to the Rights Issue of RCPS as the Undertakings are merely to capitalise an amount of up to RM455.0 million owing by our Company to Dayang which has been advanced to our Company prior to the implementation of the Rights Issue of RCPS.

In the event Dayang fails to observe its obligations as stipulated in the Undertakings, the Rights Issue of RCPS will be terminated and all consideration received for the RCPS will be immediately returned to all subscribers of the RCPS without interest.

#### 4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.325 for each RCPS, the Rights Issue of RCPS is expected to raise total gross proceeds of up to approximately RM506.0 million, which are intended to be utilised in the following manner:-

Description of utilisation	Minimum Scenario		Maximum Scenario		Expected time frame for utilisation (from the date of listing of the RCPS)
	RM'000	%	RM'000	%	
Set-off Arrangement <sup>*1</sup>	455,000	100.0	306,011	60.5	Immediately
Partial repayment of the advances owing by our Company to Dayang <sup>*2</sup>	-	-	148,989	29.4	Immediately
Working capital requirements <sup>*3</sup>	-	-	49,506	9.8	Within 12 months
Estimated expenses for the Corporate Exercises <sup>*4</sup>	-	-	1,500	0.3	Immediately
<b>Total gross proceeds</b>	<b>455,000</b>	<b>100.0</b>	<b>506,006</b>	<b>100.0</b>	

#### Notes:-

- \*1 As at the LPD, the total advances owing by our Company to Dayang stood at approximately RM645.7 million. The effective interest rate for the advances owing by our Company to Dayang is 6.0% per annum (except for the amount advanced for the PPB Settlement, which is not subject to any interest charged by Dayang). The details of the said advances owing are set out below:-

Advances owing by our Company to Dayang	Interest rate per annum (%)	RM'000
As at 31 December 2018	6.0	190,661
PPB Repayment 2019	6.0	90,000
PPB Settlement	-	365,000
<b>Total</b>		<b>645,661</b>

For the avoidance of doubt, the interest bearing on the advances owing by our Company to Dayang is the interest incurred by Dayang in procuring banking facilities for part of the advances to our Company which is required to be borne by our Company. However, in view that the advances for the PPB Settlement form part of the group-wide debt restructuring exercise of Dayang to restructure the existing borrowings of the Dayang Group (including our Group) are only temporary and are part of the Set-off Arrangement, Dayang has decided that such advances will not be subject to interest.

Under the Minimum Scenario, a total of RM455.0 million of the advances owing by our Company to Dayang will be directly set-off against the subscription consideration by Dayang pursuant to the Set-off Arrangement.

Under the Maximum Scenario, Dayang's subscription consideration for the RCPS pursuant to the Dayang Undertaking is approximately RM306.0 million. The said subscription consideration will be set-off against the advances owing our Company to Dayang via the Set-off Arrangement.

The advances owing by our Company to Dayang subsequent to the Set-off Arrangement under the Minimum Scenario and the Maximum Scenario are set out below:-

	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
Advances owing by our Company to Dayang as at the LPD	645,661	645,661
Less: Set-off Arrangement	(455,000)	(306,011)
	<b>190,661</b>	<b>339,650</b>

\*2 Under the Maximum Scenario, the remaining advances owing by our Company to Dayang are expected to be approximately RM339.7 million upon completion of the Rights Issue of RCPS via the Set-off Arrangement. Our Company intends to utilise approximately RM149.0 million of the cash proceeds to be raised to partially repay the remaining advances owing by our Company to Dayang in cash.

The remaining advances owing by our Company to Dayang upon the partial repayment to Dayang shall be RM190.7 million, which will be repaid to Dayang over a period of 7 years on a monthly equal basis at an interest rate of 6.0% per annum via our Group's internally-generated funds. Such repayment is expected to take effect upon completion of the Rights Issue of RCPS or such other date as may be extended by Dayang. The interests accrued on the advances owing by our Company to Dayang are repayable on demand.

The Set-off Arrangement and/ or the partial repayment of the advances owing by our Company to Dayang is expected to result in interest savings on the advances owing by our Company to Dayang of RM5.4 million per annum based on the effective interest rate charged by Dayang of 6.0% per annum on the advances owing by our Company to Dayang of RM90.0 million.

- \*3 Our Company intends to utilise up to approximately RM49.5 million of the proceeds to be raised under the Maximum Scenario for our Group's day-to-day operations in the manner set out below:-

	<b>RM'000</b>
Payment to trade creditors	30,000
Vessel crew related costs (i.e. wages for vessel crew, allowances, contributions to the Employees Provident Fund and others)	15,000
Administrative expenses (e.g. utilities, printing and stationery, as well as office expenses such as general upkeep of office and others)	4,506
<b>Total</b>	<b><u>49,506</u></b>

Under the Minimum Scenario, the working capital requirements of our Group will be funded via our Group's internally-generated funds. For information purposes only, our Group recorded net cash from operating activities of approximately RM52.6 million for the 9-month FPE 30 September 2019. As at the LPD, our Group held cash and bank balances of RM32.6 million.

- \*4 The proceeds earmarked for estimated expenses in relation to the Corporate Exercises under the Maximum Scenario shall be utilised in the manner set out below:-

	<b>RM'000</b>
Professional fees (i.e. adviser, reporting accountant and due diligence solicitors)	1,150
Regulatory fees (i.e. Bursa Securities, the SC and the Registrar of Companies Malaysia)	150
Other incidental expenses in relation to Corporate Exercises such as printing and advertising costs and miscellaneous expenses	200
<b>Total</b>	<b><u>1,500</u></b>

In the event that the actual amount varies from the above estimated expenses, the excess or deficit, as the case may be, will be adjusted to or from the amount earmarked for working capital requirements.

Under the Minimum Scenario, the estimated expenses will be funded via our Group's internally-generated funds.

The actual proceeds to be raised from the Rights Issue of RCPS under the Maximum Scenario will depend on the subscription rate for the RCPS. In the event the actual amount raised is lower than the intended amount of proceeds of approximately RM506.0 million, the actual proceeds will be allocated in the following priority:-

- i. Partial repayment of the advances owing by our Company to Dayang;
- ii. Working capital requirements; and
- iii. Estimated expenses in relation to the Corporate Exercises.

In the event of a shortfall in the actual amount of proceeds raised and that such proceeds arising therefrom are not sufficient to be utilised for any of the purposes above, our Company shall seek other sources of financing such as internally-generated funds and/ or bank borrowings.

Pending utilisation of the proceeds raised from the Rights Issue of RCPS for the abovementioned purposes, the proceeds raised under the Maximum Scenario will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with the licensed financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital requirements for our Group.

For the avoidance of doubt, no proceeds will be raised by our Company upon conversion of the RCPS, which are not redeemed by our Company, into new PPB Shares as the conversion price shall be deemed settled by way of set-off.

## 5. RATIONALE FOR THE RIGHTS ISSUE OF RCPS

The Rights Issue of RCPS forms part of the group-wide debt restructuring exercise involving Dayang and our Company currently. The debt restructuring exercise of our Group aims to restructure and reschedule our loans and debt to strengthen the financial position of our Group and put in place an efficient and optimal capital structure amid the recovery in the O & G industry. With an efficient capital structure, we will have the flexibility to tap into the capital market for future fund raising for our future expansion.

The Rights Issue of RCPS will enable our Company to capitalise and/ or reduce up to RM455.0 million of the advances owing by our Company to Dayang into the RCPS via the Set-off Arrangement and partial repayment via cash proceeds. Upon completion of the Rights Issue of RCPS, the remaining advances owing by our Company to Dayang will be repaid to Dayang on a staggered basis pursuant to the group-wide debt restructuring exercise undertaken by the Dayang Group currently.

Our Group is expected to benefit from estimated gross savings in profit payment or interest of approximately RM31.3 million per annum pursuant to the Set-off Arrangement and the partial repayment to Dayang via proceeds raised from the Rights Issue of RCPS, as set out below:-

Set-off Arrangement	Amount to be redeemed or repaid RM'000	Effective profit rate or interest rate per annum %	Estimated gross savings on profit payment or interest RM'000
i. PPB Settlement	365,000 <sup>*1</sup>	7.1	25,915
ii. Advances owing by our Company to Dayang for the PPB Repayment 2019	90,000 <sup>*2</sup>	6.0 <sup>*3</sup>	5,400
<b>Total</b>	<b>455,000</b>		<b>31,315</b>

### Notes:-

- \*1 Being the amount advanced by Dayang to our Company for the PPB Settlement, via proceeds raised from the Dayang Sukuk Programme. These advances owing by our Company to Dayang will be fully repaid to Dayang via the Set-off Arrangement under the Minimum Scenario or the combination of the Set-off Arrangement and cash proceeds to be raised from the Rights Issue of RCPS under the Maximum Scenario as set out in Section 4 of this Abridged Prospectus. The said advance is not subject to any interest charged by Dayang. The estimated gross interest savings is purely derived from the early redemption of the Sukuk Murabahah
- \*2 Being the amount advanced by Dayang for the PPB Repayment 2019. The said advances owing by our Company to Dayang will be fully repaid to Dayang via the Set-off Arrangement under both the Minimum Scenario and the Maximum Scenario as set out in Section 4 of this Abridged Prospectus
- \*3 Being the effective interest rate charged by Dayang on the advances owing by our Company to Dayang



In addition, the Rights Issue of RCPS is an appropriate option as:-

- i. it will enable our Group to preserve its cash for its working capital requirements and future business expansion;
- ii. it will minimise the immediate dilution effect on the basic EPS/ loss per share of our Company as the RCPS are expected to be converted over the tenure of the RCPS;
- iii. it will allow the Entitled Shareholders to further increase their equity participation in our Company through the conversion of the RCPS into new PPB Shares during the tenure of the RCPS; and
- iv. as the RCPS will be listed and traded on the Main Market of Bursa Securities, depending on the future performance of our Group, the Entitled Shareholders and/ or its renounees and/ or transferees (if applicable) may be able to benefit from future capital appreciation of the RCPS and/ or new PPB Shares.

## **6. RISK FACTORS**

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renounees and/ or your transferees (if applicable) should carefully consider the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue of RCPS.

### **6.1 Risks relating to our Group's debt restructuring exercise**

#### **6.1.1 Fulfilling debt obligations in the event of a delay or non-completion of our Group's debt restructuring exercise**

Our Group's debt restructuring exercise (including the Rights Issue of RCPS and the debt restructuring exercise under the auspices of the Corporate Debt Restructuring Committee ("CDRC") of BNM with our licensed financial institutions as well as the holders of the Sukuk Murabahah) is expected to be completed by 1<sup>st</sup> quarter of 2020.

In the event the completion of our Group's debt restructuring exercise is delayed or is not completed within the expected timeframe, and assuming the lenders of our Group have not approved the deferment of part of the borrowings due, our Group may not be able to generate sufficient cash flows or obtain alternative sources of funding to meet its repayment obligations as and when they are due. In such an event, there is a risk that our Group's lenders may impose penalties, additional interests and/ or fees on the borrowings, or call an event of default, which may lead to acceleration or termination of such financing facilities and borrowings and cross defaults under other indebtedness, all of which could adversely affect our Group's business, operating results and financial condition.

There is no assurance that our Group's debt restructuring exercise can be completed within the expected timeframe.

#### **6.1.2 Non-compliance with public shareholding spread of our Company**

The public shareholding spread of our Company will still be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the Rights Issue of RCPS.

However, the conversion of the RCPS by Dayang into new PPB Shares under the Minimum Scenario may result in Dayang's shareholdings exceeding 75% of the enlarged number of PPB Shares in issue, in which case, our Company would not be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements. For information purposes, the public shareholding spread of PPB is 29.6% as at the LPD and may reduce to 10.6% upon full conversion of the RCPS by Dayang under the Minimum Scenario.

### **6.1.3 Potential dilution of Dayang's shareholdings in our Company and possible loss of Dayang's control over our Company**

The RCPS to be issued to Dayang pursuant to the Undertakings will form part of the collaterals against the Dayang Sukuk Programme upon its issuance under the Rights Issue of RCPS.

Subsequent to the completion of the group-wide debt restructuring exercise of Dayang, in the event Dayang is unable to meet its annual repayment obligations pursuant to the Dayang Sukuk Programme, there is a potential risk that the sukukholders of the Dayang Sukuk Programme may exercise their rights to dispose of the RCPS in the open market to repay any outstanding amount due. In such event and when the said RCPS sold are converted into new PPB Shares, Dayang's shareholdings in our Company may potentially be diluted from 60.5% as at the LPD to less than 50%, in which case, our Company would cease to be a subsidiary of Dayang.

As our Group is dependent on Dayang and its wholly-owned subsidiaries as mentioned in Section 6.3.4 of this Abridged Prospectus, there can be no assurance that the loss of control of Dayang in our Company would not have a material adverse effect on our Group's business, operating results and financial condition in the future.

## **6.2 Risks relating to the O & G industry**

### **6.2.1 Fluctuation in the crude oil prices**

Fluctuation in crude oil prices has an indirect impact on our Group's business as oil majors may vary their activities relating to the development and production of offshore O & G fields. This will, in turn, create uncertainty in the number of contracts available for tenders.

Crude oil prices have historically been volatile and may continue to be volatile in the future. Crude oil prices have a direct bearing on the levels of activity in the O & G industry, including vessels chartering activities. Prices for crude oil fluctuate in response to a variety of factors including, but not limited to:-

- i. the level of demand for crude oil, which closely correlates with global economic growth;
- ii. costs pertaining to the exploration, development, production and delivery of crude oil;
- iii. technological advances in exploration, development and production;
- iv. output level of crude oil by non-OPEC<sup>a</sup> countries, the ability of OPEC countries to set and maintain oil production levels and crude oil prices and the level of crude inventories and the availability of excess production capacity;

**Note:-**

- \*a Organisation of the Petroleum Exporting Countries, which has a total of 14 member countries comprising The Republic of Algeria, The Republic of Angola, The Republic of Congo, Ecuador, The Republic of Equatorial Guinea, The Republic of Gabon, The Islamic Republic of Iran, The Islamic Republic of Iraq, Kuwait, Libya, Nigeria, The Kingdom of Saudi Arabia, United Arab Emirates and The Bolivarian Republic of Venezuela as at the LPD ("OPEC")
- v. competition from alternative fossil fuels, including but not limited to shale O & G, oil sands and gas to liquids;
- vi. government policies, including those related to the exploration, development and production of their oil and natural gas reserves and policies relating to energy security and environmental regulations;
- vii. adverse global weather conditions and natural disasters;
- viii. global political and economic conditions;
- ix. shifts in end-client preferences toward fuel efficiency;
- x. progress in development of alternative energy, including but not limited to renewable energy; and
- xi. continuous discovery of hydrocarbon reserves globally.

A drop in global crude oil prices below a certain level may lead to O & G companies reducing capital expenditure until such time global crude oil prices increase and stabilise. Significant and continuous cuts in capital expenditure by oil majors have a significant impact on our Group's revenue and financial position. A drop in the level of capital expenditure in the market would have an impact on our business as the number of activities leading to contracting would correspondingly reduce.

**6.2.2 Dependency on the level of activities in the offshore O & G industry**

As our customers operate mainly in the offshore O & G industry, our offshore marine services are dependent on the level of activities in the offshore O & G industry which are affected by, amongst others, the level of exploration, development and production (including maintenance) activities and the corresponding level of expenditure on such activities which, in turn, is influenced by crude oil prices. Prolonged low crude oil prices may reduce the level of activities in the offshore O & G industry as spending on exploration, development and production activities would be scaled back which may result in a reduced demand for our services.

No assurance can be given that any volatility in crude oil prices will not have a materially adverse effect on our Group's business.

**6.2.3 Political, socio-political, economic and regulatory conditions**

Our Group's business, prospects, operating results and financial condition may be adversely affected by any unfavourable developments or change in the political or socio-political landscape and economic uncertainties in Malaysia.

Political, socio-political or regulatory changes such as introduction of new laws and regulations, imposition of capital or foreign exchange controls and changes in interest rates or taxes will impact our business, operating results, financial condition and prospects. Other adverse political and economic situations include the risks of war, global economic downturn, terrorism and expropriation which may also affect the performance of our Group.

Further, pursuant to the Petroleum Development Act 1974, PETRONAS is vested with exclusive ownership to Malaysian O & G reserves. Companies may only undertake the exploration and extraction of crude O & G in Malaysia via a Production Sharing Contract ("PSC") with PETRONAS.

Any new terms that may have an adverse impact to the regular terms of a PSC such as reduction of profit sharing of contractors under the PSC may affect the production activities as contractors will be less motivated to carry out crude oil exploration and extraction activities in Malaysia as well as preclude investors from future ventures. This reduction in level of crude oil exploration and extraction will lower the demand for products and services provided by O & G support companies such as our Group.

There can be no assurance that any changes in the political, socio-political, economic and regulatory condition in Malaysia will not have a materially adverse effect on our Group's business.

### **6.3 Business risks relating to our Group**

#### **6.3.1 Dependency on licences and registrations**

Our Group's qualification to tender for and secure various O & G projects in Malaysia is dependent on various licences and registration issued by various authorities such as PETRONAS. All these licences and registrations are valid for certain periods of time with the renewal based on the compliance with those requirements imposed by the relevant authorities. Non-compliance with such requirements may result in fines, penalties and vessel seizure, confiscation, detention or termination or non-renewal of licences, all of which may result in adverse effects to our operations, performance and financial condition.

PETRONAS is the main licensor governing our Group's operations in the Malaysian O & G industry. The licences issued by PETRONAS to our subsidiary enable our Group to provide certain marine vessel services and are subject to conditions on our licensed subsidiary's shareholding structure employment and operation. In the future, fundamental changes may occur to PETRONAS's policy with regards to the regulation of the O & G industry. These changes may have an adverse or favourable impact on the operations of our Group either by restricting or liberalising the regulations governing the O & G industry.

There is no assurance that the licences and registrations of our Group will be renewed when they expire.

#### **6.3.2 Operating in a strict environmental regime**

Our Group is subject to increasingly stringent laws and regulations relating to environmental protection in conducting the majority of our operations, such as in the generation, storage, handling, treatment and disposal of waste materials. We incur and expect to continue to incur capital and operating costs to comply with environmental laws and regulations as our business involves working around and with volatile, toxic and hazardous substances and other highly regulated materials.

We are subject to potential material liabilities relating to claims alleging personal injury or property damage as a result of exposures to, or releases of hazardous substances or as a result of accidents or other incidents resulting from our operations, all of which could have a material adverse effect on our financial conditions and results of operations.

### **6.3.3 Competition**

We face competition from local and international offshore O & G support service providers providing similar products and services. The principal competitive factors include charter rates and other costs, service and reputation of vessel operations and crew; availability of suitable vessels; established safety track record; and technical capabilities of vessels, equipment and personnel.

Most of our charter contracts from third parties are traditionally awarded through competitive bidding process where we submit our tender based on the request of our customers. Pricing is usually a key factor in determining which contractor is awarded a contract. The pricing of the tender quote is determined after evaluating the indicative market price in the industry and all the related operational costs including crew cost, vessel operation and maintenance cost, depreciation and finance costs, mobilisation and demobilisation of vessels and charter in cost, if applicable. If we are unable to compete effectively on our pricing, our performance and financial condition may be adversely affected.

### **6.3.4 Dependency on Dayang and its wholly-owned subsidiaries**

Our Group's revenue mainly derives from contracts awarded by Dayang and its wholly-owned subsidiaries. Any termination (with or without cause) of existing contracts with Dayang and its wholly-owned subsidiaries may significantly affect our operations, performance and profitability.

For the FYEs 31 December 2016, 2017 and 2018, approximately 47%, 45% and 60%, respectively, of our Group's revenue was contributed by contracts awarded by Dayang and its wholly-owned subsidiaries, while the remaining 53%, 55% and 40%, respectively, were attributable to contracts secured from third parties. Upon becoming our Company's controlling shareholder in 2015, both we and Dayang have established synergistic tie-up between each other. A number of our AWBs and WBs have been earmarked for Dayang's offshore maintenance and hook-up and commissioning contracts with various oil majors, whilst increase in drilling activities for more well is expected to increase vessel utilisation for the AHTS segment.

However, there is no guarantee that our Group can continuously secure new contracts from Dayang and its wholly-owned subsidiaries. The discontinuation of any one or more contracts awarded by Dayang and its wholly-owned subsidiaries, if not replaced, would result in potential loss of significant sources of revenue to our Group. Further, there can be no assurance that the inability for Dayang and its wholly-owned subsidiaries to award our Group with new contracts would not have a material adverse effect on our Group's business, operating results and financial condition in the future.

### **6.3.5 Dependency on award of new contracts**

Our Group's revenue is largely derived from short-term (i.e., work orders of below 6 months) to long-term contracts (i.e., work orders of more than 6 months). It is generally difficult to predict whether and when we will be awarded with such contracts as the bidding and selection process is often lengthy and complex. Our business, operating results and financial condition may be adversely affected if we are unable to secure new contracts on a continuous basis.

### **6.3.6 Foreign exchange and interest rates fluctuation**

Our Group's consolidated financial statements are denominated in RM, being the presentation and functional currency of our Group's business. Our Group has transactional currency exposure arising mainly from costs and borrowings that are denominated in a currency other than the respective functional currencies of our operating entities, primarily RM and USD. As such, fluctuation in exchange rates between RM, USD and other currencies could have an adverse impact on our Group's financial condition, including as a result of translation when converting other currency amounts to RM for consolidated financial statement purposes.

In addition, as some of our Group's materials are purchased in currencies other than RM, any fluctuation in exchange rates between RM and other currencies may cause our Group to incur higher purchasing cost for the said materials which in turn may have an impact on the earnings of our Group.

Our Group is also exposed to fluctuations in interest rates due to our Group's floating rate borrowings. Interest rates may vary or fluctuate over time based on, amongst others, the base rates quoted by our Group's lenders. A higher base rate quoted by our Group's lenders will translate to an increase in interest expenses and consequently the repayment obligations of our Group.

We cannot assure you that the fluctuation in prices of the materials and cost of borrowings in relation to the foreign currency fluctuations as well as the fluctuation in interest rates arising from our Group's floating rate borrowings will not affect the financial condition and profitability of our Group.

### **6.3.7 Operational, health, safety and environmental risks**

Our Group may be exposed to major operational, health, safety and environmental risks inherent in the marine operations such as collisions, equipment failures, loss or damage of vessels resulting from adverse weather and environmental conditions and/ or pollution and other damage to environment as a result of spillage of chemicals used in our operations. These risks may result in substantial losses due to injury and loss of life, severe damage to property, equipment and the environment as well as suspension of operations, termination of contracts and potential legal proceedings.

There can be no assurance that the current risk management practices of our Group will be adequate in the event of an emergency and that it will not have adverse effects on our Group's business, prospects or profitability.

### **6.3.8 Repair and maintenance of our Group's key assets, equipment and facilities**

Our Group's operations are dependent on the operating efficiency and reliability of our key assets, equipment and facilities through scheduled and unscheduled repair and maintenance. Our Group's repair and maintenance programme is an important part of our business operations and involves substantial expenditure and results in loss of opportunity from downtime of its equipment and facilities. Repair and maintenance performed after any breakdown of its key assets, equipment and facilities can be costly and time-consuming and, in certain cases, can be more costly and time consuming than anticipated, any or both of which could result in significant tangible and intangible losses to our Group.

Unexpected breakdowns, non-performance or loss of key assets, equipment and facilities are by their nature unpredictable. In the event of downtime or loss of our key assets, equipment and facilities, our Group may incur additional costs and losses arising from the disruption of its workflow and scheduled activities. Rectification of breakdown or non-performance of this type, depending on its severity, may also require replacement or repair of key components, the procurement of which may entail long lead-times. Rectification on the affected key assets, equipment and facilities may require our Group to incur substantial expenditures, which may result in the affected key assets, equipment and facilities being out of service and unable to generate revenue for extended periods of time.

The occurrence of any of the above developments may potentially disrupt the operation of our Group's affected key assets, equipment and facilities and may result in us being unable to meet our contractual obligations with our customers or may otherwise have a material adverse effect on our Group's business, results of operations and cash flows. The loss of such key assets, equipment or facilities may have a material adverse effect on our Group's business, results of operations and cash flows.

### **6.3.9 Dependence on key management and skilled personnel**

Our Group's continued success depends largely on the abilities and continued efforts of our existing Directors and key management. A change in our Board and/ or key management may adversely affect our future business operations and/ or financial performance. Our offshore marine services also rely on skilled personnel with the requisite knowledge and experience, not merely to operate our vessels, but more so to ensure that our vessels are being operated in a safe and reliable manner.

There is no assurance that our Group's current human resource strategies of our Group will be successful in attracting and retaining key personnel or ensuring a smooth transition should changes occur.

### **6.3.10 Adequacy of insurance coverage**

The operation of our Group's facilities involves inherent risks and occupational hazards. If we incur substantial liability from uninsurable or uninsured risks or insufficient insurance coverage, it could have a material adverse effect on our Group's operations and financial performance.

In this regard, our Group has purchased insurances covering its equipment, general third parties' liabilities (such as injury, loss or property damage) and other liabilities relating to its business which we deem are adequate to protect us against liabilities for such events. There can be no assurance that the insurance coverage of our Group will be adequate to cover all losses and liabilities which might occur in the future.

### **6.3.11 Existing and potential litigation, arbitration, tax claims and regulatory proceedings**

As disclosed in Section 9 of Appendix II of this Abridged Prospectus, our Company is currently engaged in a material litigation and there can be no certainty that the outcome of said litigation would be decided in our Company's favour.

In addition, further to the conclusion of a tax audit conducted for year of assessment ("YA") 2007 to YA 2010, the Inland Revenue Board ("IRB") has requested our Group to revise its tax computations for YA 2011 and subsequent years. In October 2015, our Group engaged a tax consultant to assist in the matter and assess the tax impacts thereof. In February 2017, our Group responded to the IRB that it disagrees with applying the same computation method used for the earlier tax audit exercise based on reasonable technical grounds. Our Group may need to provide for additional tax payable, if any, arising from any revision of the tax computations for YA 2011 and subsequent years, the outcome of which cannot be ascertained at this present stage. As at the LPD, our Group has not received any response from the IRB to its reply on February 2017. There is no assurance that our Group will not incur additional tax payable in relation to the above.

There is no assurance that our Group will not be involved in litigation, arbitration, tax claims or regulatory proceedings in the future, and in such event, there is no assurance that such litigation, arbitration, claim or proceedings would be decided in our Group's favour.

## **6.4 Risks relating to the Rights Issue of RCPS**

### **6.4.1 Investment and capital market risk**

The RCPS is a new class of securities to be issued by our Company for which there is no prior market and is subject to price discovery by investors. There can be no assurance that an active market for the RCPS will develop upon or subsequent to the listing and quotation of the RCPS on the Main Market of Bursa Securities or, if developed, such market is sustainable or adequately liquid during the tenure of the RCPS.

The market price of the RCPS which will be traded on Bursa Securities is subject to fluctuation and will be influenced by, amongst others, the prevailing market sentiments, the liquidity of the RCPS, the volatility of PPB Shares, the outlook of the O & G industry as well as the corporate developments and future financial performance of our Group.

In addition, the performance of the local equity market (where PPB Shares are listed) is dependent on the economic and political conditions in Malaysia as well as external factors such as the performance of the world bourses and the investments by the foreigners in Malaysia.

In view of this, there can be no assurance that the RCPS will trade above the issue price of the RCPS upon or subsequent to the listing of and quotation for the RCPS on the Main Market of Bursa Securities and the market prices of the RCPS will be at a level that meets the investment objectives or targets of the subscribers of the RCPS.



#### 6.4.2 Failure or delay in the completion of the Rights Issue of RCPS

The Rights Issue of RCPS is exposed to the risk that it may be terminated or delayed on the occurrence of any material adverse change of events or circumstances (such as force majeure events including without limitation, acts of Government, natural disasters including without limitation the occurrence of a tsunami and/ or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Company and Kenanga IB, arising prior to the completion of the Rights Issue of RCPS.

Our Company has procured the Undertakings from the Undertaking Shareholder to subscribe in full for its entitlement and Excess RCPS. The successful implementation of the Rights Issue of RCPS is dependent on the fulfilment by the Undertaking Shareholder of its obligation under the Undertakings.

However, there can be no assurance that the above-mentioned events will not occur and cause a failure or delay in the completion of the Rights Issue of RCPS.

Where prior to the issuance and allotment of the RCPS to the successful Entitled Shareholders and/ or their renounees and/ or transferees (if applicable):-

- i. in the event of failure in the completion of the Rights Issue of RCPS where the SC issues a stop order pursuant to Section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and our Company shall be liable to repay without interest all monies received in respect of the accepted application for the subscription of the RCPS pursuant to the Rights Issue of RCPS and if such monies are not repaid within 14 days from the date of the stop order, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 245(7)(a) of the CMSA; or
- ii. in the event of failure in the completion of the Rights Issue of RCPS (other than pursuant to Section 245(1) of the CMSA), all application monies received pursuant to the Rights Issue of RCPS will be refunded to the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) who have subscribed for the RCPS without interest.

In the event that the Rights Issue of RCPS is aborted or terminated, and the RCPS have been allotted to the successful Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) and:-

- i. the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our RCPS shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if such monies are not repaid within 14 days from the date of the stop order, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 245(7)(b) of the CMSA; or

- ii. the Rights Issue of RCPS is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to all holders of the RCPS could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

#### **6.4.3 Potential dilution**

Entitled Shareholders who do not or are unable to subscribe for their entitlements under the Rights Issue of RCPS will have a reduction in their proportionate percentage of shareholdings and voting interest in our Company based on the enlarged issue share capital of our Company, as a result of the issuance of new PPB Shares pursuant to the conversion of the RCPS. Consequently, their proportionate entitlements to any future distributions, rights and/ or allotment that our Company may declare, make or pay after conversion of the RCPS into new PPB Shares will be correspondingly diluted.

## **7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP**

### **7.1 Overview and outlook of the Malaysian economy**

The Malaysian economy expanded at a more moderate pace of 4.7% in 2018 (2017: 5.9%). Despite a positive start to 2018, the economy subsequently was confronted with several external and domestic challenges. Major policy and political shifts, arising partly from the global trade tensions and the historic change of Government in Malaysia, became sources of uncertainty for the economy. Unanticipated supply disruptions in the mining and agriculture sectors, as well as commodity exports adversely affected Malaysia's economic performance, resulting in a larger-than-expected moderation in growth.

*(Source: Annual Report 2018, BNM)*

Growth in the Malaysian economy moderated to 4.4% in the 3<sup>rd</sup> quarter of 2019 (2<sup>nd</sup> quarter of 2019: 4.9%), primarily attributed to lower growth in key sectors and a decline in the mining and construction activities. On the demand side, most domestic demand components and net exports registered slower growth momentum. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (2<sup>nd</sup> quarter of 2019: 1.0%).

*(Source: Economic and Financial Developments in the Malaysian Economy in the 3<sup>rd</sup> Quarter of 2019, BNM)*

The prospect of the Malaysian economy remains robust amid increasing uncertainties in the external environment. Real gross domestic product is expected to grow by 4.7% in 2019 and 4.8% in 2020. The growth is underpinned by resilient domestic demand, particularly household spending following stable labour market and low inflation. Meanwhile, private investment is expected to grow at a slower pace in 2019 and gain traction in 2020 following the resumption of infrastructure projects coupled with ongoing capital spending in the services and manufacturing sectors. Favourable private sector expenditure activity will offset the impact of lower public expenditure in 2019. However, economic growth is expected to rebound in 2020 with improvement in public corporations' capital outlays.

*(Source: Economic Outlook 2020, Ministry of Finance Malaysia)*

## **7.2 Overview and outlook of the O & G industry in Malaysia**

In the mining sector, growth contracted by 1.5% in 2018, attributable mainly to the decline in natural gas production as operations in East Malaysia were affected by pipeline repairs and unplanned maintenance shutdown. Growth in the mining sector is projected to register a turnaround in 2019. The recovery in natural gas production in East Malaysia will support growth in the mining sector. This will more than offset the decline in crude oil output due to production constraints and extension of voluntary supply adjustments by PETRONAS.

*(Source: Annual Report 2018, BNM)*

The mining sector contracted by 4.3% in the 3<sup>rd</sup> quarter of 2019 (2<sup>nd</sup> quarter of 2019: +2.9%), due mainly to maintenance works that affected oil production. This partially offset the ongoing output recovery in natural gas.

*(Source: Economic and Financial Developments in the Malaysian Economy in the 3<sup>rd</sup> Quarter of 2019, BNM)*

The mining sector rebounded during the first 6 months of 2019 on account of higher output of natural gas. For the year, the output of the sector is projected to turn around 0.6%, driven by higher production of natural gas, offsetting lower output of crude oil (including condensates). Among the natural gas fields that are expected to increase production include Anjung, Bakong and Larak in Sarawak. On the contrary, production of crude oil is affected by temporary planned and unplanned shutdowns of several fields such as Dulang (Peninsular Malaysia), Gumusut-Kakap (Sabah) and Baronia (Sarawak).

In 2020, the mining sector is forecast to record a marginal growth of 0.3%, support by stable gas production following stronger domestic demand from the petrochemical industry as well as rising exports of liquefied natural gas (LNG), particularly to China, Japan and Republic of Korea. The subsector is expected to benefit from the commencement of the North Malay Basin Full Field Development (FFD – Phase 2) in Peninsular Malaysia as well as Gorek, Integrated Bokor (Phase 3) and Betty redevelopment projects in Sarawak. Production of crude oil is projected to increase moderately supported by projects such as Anggerik FFD and Zetung FFD in Peninsular Malaysia as well as Bayan Oilfield (Phase 2B and 2C) in Sarawak. Moving forward, uncertainties in the global growth; production cut by OPEC and non-OPEC; oil production by the US; the US-China trade tension; and geopolitical risks, particularly in Iran, Iraq, Libya and Venezuela will be among the factors affecting the movement of crude oil prices.

*(Source: Economic Outlook 2020, Ministry of Finance Malaysia)*

### 7.3 Prospects of our Group

Our Company is an investment holding company. Our Company, through its subsidiaries, provides marine support services which include the provision of vessels for the upstream O & G industry. Our Company owns and operates a fleet of vessels comprising a strategic mix of 8 AHTSs, 6 AWBs and 2 WBs which are capable in the provision of marine support services such as tugging or towing ships or oil-rigs as well as providing accommodation floatel to offshore personnel.

Our Group expects to improve its financial performance in the FYE 31 December 2019 arising from an improvement to our vessel utilisation rate as compared to the FYE 31 December 2018. Both Dayang and our Company have established a synergistic tie-up since Dayang became the controlling shareholder of our Company in 2015. A number of our Group's vessels have been earmarked for Dayang's offshore maintenance and hook-up contracts with various oil majors, whilst increase in drilling activities for more wells is expected to increase vessel utilisation for the AHTS segment. Our Group expects the crude oil price recovery to boost the general sentiment for the oil majors and lead to more overall offshore support vessel chartering opportunities for our Group.

Our Group have been continuously replenishing its work orders and had secured a total of 7 key work orders with tenure above 180 days for the past 2 years up to the LPD as set out below:-

Awarded by	Scope of work	Commence- ment date <sup>*1</sup>	Tenure of work orders	
			Initial <sup>*1</sup>	Option to extend <sup>*1</sup>
ROC Oil (Sarawak) Sdn Bhd	Provision of 1 AHTS	September 2018	380 days	30 days
Dayang Enterprise Sdn Bhd <sup>*2</sup>	Provision of 2 AWBs	1 <sup>st</sup> AWB March 2019	1 <sup>st</sup> AWB 120 days	1 <sup>st</sup> AWB Subject to negotiation
		2 <sup>nd</sup> AWB April 2019	2 <sup>nd</sup> AWB 200 days	2 <sup>nd</sup> AWB Up to 30 days
DESB Marine Services Sdn Bhd <sup>*2</sup>	Provision of 1 WB	April 2019	180 days	Up to 150 days
PETRONAS Carigali Sdn Bhd	Provision of 1 AHTS	March 2019	184 days	Up to 182 days
PETRONAS Carigali Sdn Bhd	Provision of 2 AHTS	May 2019	180 days	Up to 180 days
PETRONAS Carigali Sdn Bhd	Provision of 2 AWBs	1 <sup>st</sup> AWB July 2019	1 <sup>st</sup> AWB 183 days	1 <sup>st</sup> AWB Up to 100 days
		2 <sup>nd</sup> AWB July 2019	2 <sup>nd</sup> AWB 155 days	2 <sup>nd</sup> AWB Up to 100 days
PETRONAS Carigali Sdn Bhd	Provision of 1 AHTS	August 2019	365 days	365 days

#### Notes:-

\*1 Based on work orders awarded

\*2 Wholly-owned subsidiaries of Dayang

The revenue generated from the abovementioned key work orders accounted for approximately 2% and 37% of our Group's revenue for the FYE 31 December 2018 and the 9-month FPE 30 September 2019, respectively.

The average utilisation rate of our Group's vessels for the FYEs 31 December 2016, 2017, 2018 and as at the LPD is 58%, 52%, 64% and 69%, respectively.

In addition to the business and industry prospects, our Company is presently undertaking a comprehensive debt restructuring exercise under the auspices of the CDRC, with our licensed financial institutions as well as the holders of the Sukuk Murabahah. The admission of our Company into the CDRC is consistent with our Company's strategy to streamline our operations and optimise our financial resources and forms part of the group-wide debt restructuring exercise undertaken by the Dayang Group currently.

#### Strategies and steps taken to improve the financial performance of our Group

In addition, in our bid to improve financial performance, we already have in place strategies to turnaround the financial performance of our Group amid the challenging operating environment in the O & G industry which include:-

- i. securing more long-term contracts (i.e., contracts with tenure of above 180 days) for its fleet of vessels

The offshore support service vessels activities in the O & G industry is increasing, as proven by the increase in work orders which resulted in higher revenue achieved by PPB in the 3<sup>rd</sup> quarter of 2019 of RM87.4 million as compared to RM61.2 million in the 3<sup>rd</sup> quarter of 2018. Our Group is continuously replenishing its work orders and had announced earlier that it had secured a total of 7 key work orders with tenure above 180 days for the past 2 years up to the LPD as set out above.

Premised on the outlook of the O & G industry as set out in Section 7.2 of this Abridged Prospectus, our Group is cautiously optimistic to secure additional long-term contracts.

- ii. improving our vessels utilisation through securing contracts both domestically and regionally

Our Company owns and operates a total of 16 vessels comprising, 8 AHTSs, 6 AWBs and 2 WBs which are capable in the provision of marine support services such as tugging or towing ships or oil-rigs as well as providing accommodation floatel to offshore personnel. The recent improvement in the crude oil price coupled with the increase in offshore service vessels activities have improved the average utilisation rate of our Group's vessels from 58% in the FYE 31 December 2016 to 64% in the FYE 31 December 2018. As at the LPD, the average vessel utilisation rate stood at 69%.

Both Dayang and our Company have established synergistic tie-up since Dayang became our controlling shareholder in 2015. A number of our AWBs and WBs have been earmarked for Dayang's offshore maintenance and hook-up and commissioning contracts with various oil majors, whilst increase in drilling activities for more well is expected to increase vessel utilisation for the AHTS segment. For information purposes, approximately 60% of our Group's revenue for the FYE 31 December 2018 were contributed by contracts awarded by Dayang, while the remaining 40% were attributable to contracts secured from third parties.

Premised on the above, we aim to continue to work closely with Dayang for domestic services and intend to expand our footprint regionally. Further, we had also received enquiries in relation to our Group's services from potential overseas customers.

## iii. improving the charter rate of its vessels

The improved activities in the O & G industry has seen a moderate increase in charter rates since the end of 2018 arising from the increased demand for offshore support services vessels. This is evidenced as the average charter rate of our Group's vessels had improved by approximately 15% in the FYE 31 December 2018 from the preceding year and approximately 10% in the 9-month FPE 30 September 2019 from the preceding financial period. Further, the gradual recovery of the crude oil price is expected to boost the general sentiments for the oil majors and lead to more overall offshore support vessels chartering opportunities for our Group. Our Group is cautiously optimistic that the charter rates of its vessels will continue to improve in the foreseeable future due to its competitive strengths including competitive pricing strategies.

## iv. condensing the costs of our Group's operations, administration and financing

The major cost rationalisation undertaken by our Company in 2016 has resulted in 19% reduction in overall costs (i.e., cost of services, administrative expenses and selling and distribution costs) of our Group in the FYE 31 December 2016. Moving forward, we will continue to streamline our operations to reduce our costs. In July 2018, our Group has been approved by BNM to undertake a debt restructuring exercise under the CDRC with our licensed financial institutions as well as the holders of the Sukuk Murabahah. Our admission into the CDRC is consistent with our strategy to streamline our operations and optimise our financial resources and formed part of the group-wide debt restructuring exercise undertaken by the Dayang Group currently. In addition, the Set-off Arrangement and/ or the partial repayment to Dayang via proceeds raised from the Rights Issue of RCPS are expected to result in potential savings of RM5.4 million per annum, details of which are set out in Sections 4 and 8.3 of this Abridged Prospectus.

## 8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF RCPS

### 8.1 Issued share capital

The pro forma effects of the Rights Issue of RCPS on the issued share capital of our Company are set out below:-

#### *Minimum Scenario*

	No. of PPB Shares	RM	No. of RCPS	RM
As at the LPD	778,470,949	411,219,267	-	-
To be issued pursuant to the Rights Issue of RCPS	-	-	1,400,000,000	455,000,000 <sup>*1</sup>
	778,470,949	411,219,267	1,400,000,000	455,000,000
To be issued pursuant to the full conversion of the RCPS	1,400,000,000	455,000,000 <sup>*2</sup>	(1,400,000,000)	(455,000,000)
<b>Enlarged issued share capital</b>	<b>2,178,470,949</b>	<b>866,219,267</b>	<b>-</b>	<b>-</b>

#### Notes:-

\*1 Calculated based on the number of RCPS to be issued as derived from the Undertakings multiplied by the issue price of RM0.325 per RCPS

- \*2 Calculated based on the number of new PPB Shares to be issued arising from the full conversion of the RCPS multiplied by the conversion price of RM0.325 per RCPS

### Maximum Scenario

	No. of PPB Shares	RM	No. of RCPS	RM
As at the LPD	778,470,949	411,219,267	-	-
To be issued pursuant to the Rights Issue of RCPS	-	-	1,556,941,898	506,006,117 <sup>*1</sup>
	778,470,949	411,219,267	1,556,941,898	506,006,117
To be issued pursuant to the full conversion of the RCPS	1,556,941,898	506,006,117 <sup>*2</sup>	(1,556,941,898)	(506,006,117)
<b>Enlarged issued share capital</b>	<b>2,335,412,847</b>	<b>917,225,384</b>	-	-

### Notes:-

- \*1 Calculated based on the number of RCPS to be issued as derived from the entitlement basis of 2 RCPS for every 1 existing PPB Share held multiplied by the issue price of RM0.325 per RCPS
- \*2 Calculated based on the number of new PPB Shares to be issued arising from the full conversion of the RCPS multiplied by the conversion price of RM0.325 per RCPS

## 8.2 NA per Share and gearing

The pro forma effects of the Rights Issue of RCPS on the NA and gearing of our Group based on our latest unaudited consolidated financial statements for the 9-month FPE 30 September 2019 are set out below:-

### Minimum Scenario

	Unaudited as at 30 September 2019 RM'000	(I) After subsequent events up to and including the LPD <sup>*1</sup> RM'000	(II) After (I) and the Rights Issue of RCPS RM'000	(III) After (II) and assuming full conversion of the RCPS RM'000
Share capital	411,219	411,219	411,219	866,219 <sup>*4</sup>
RCPS	-	-	453,500 <sup>*2,3</sup>	-
Translation reserve	94,357	94,357	94,357	94,357
Other capital reserves	1,635	1,635	1,635	1,635
Accumulated losses	(54,899)	(54,899)	(54,899)	(56,399)
<b>Shareholders' funds/ NA</b>	<b>452,312</b>	<b>452,312</b>	<b>905,812</b>	<b>905,812</b>
No. of PPB Shares in issue ('000)	778,471	778,471	778,471	2,178,471 <sup>*4</sup>
NA per PPB Share (RM)	0.58	0.58	1.16	0.42
Total borrowings (RM'000)	488,288	131,957 <sup>*1</sup>	131,957	131,957
Gearing (times)	1.08	0.29	0.15	0.15

**Notes:-**

- \*1 After completion of the PPB Settlement on 15 November 2019 amounting to RM355.3 million and the repayment of borrowings amounting to approximately RM0.9 million up to the LPD. The RM355.3 million outstanding amount of the Sukuk Murabahah accounted for as at LPD is in accordance with *Malaysian Financial Reporting Standards 9, Financial Instruments*
- \*2 Based on the issuance of 1,400,000,000 RCPS at the issue price of RM0.325 per RCPS
- \*3 After deducting the estimated expenses in relation to the Corporate Exercises amounting to RM1.5 million
- \*4 Assuming all 1,400,000,000 RCPS are converted into 1,400,000,000 new PPB Shares at a conversion price of RM0.325 per RCPS

**Maximum Scenario**

	Unaudited as at 30 September 2019 RM'000	(I) After subsequent events up to and including the LPD <sup>*1</sup> RM'000	(II) After (I) and the Rights Issue of RCPS RM'000	(III) After (II) and assuming full conversion of the RCPS RM'000
Share capital	411,219	411,219	411,219	917,225 <sup>*4</sup>
RCPS	-	-	504,506 <sup>*2*3</sup>	-
Translation reserve	94,357	94,357	94,357	94,357
Other capital reserves	1,635	1,635	1,635	1,635
Accumulated losses	(54,899)	(54,899)	(54,899)	(56,399)
<b>Shareholders' funds/ NA</b>	<b>452,312</b>	<b>452,312</b>	<b>956,818</b>	<b>956,818</b>
No. of PPB Shares in issue ('000)	778,471	778,471	778,471	2,335,413 <sup>*4</sup>
NA per PPB Share (RM)	0.58	0.58	1.23	0.41
Total borrowings (RM'000)	488,288	131,957 <sup>*1</sup>	131,957	131,957
Gearing (times)	1.08	0.29	0.14	0.14

**Notes:-**

- \*1 After completion of the PPB Settlement on 15 November 2019 amounting to RM355.3 million and the repayment of borrowings amounting to approximately RM0.9 million up to the LPD. The RM355.3 million outstanding amount of the Sukuk Murabahah accounted for as at LPD is in accordance with *Malaysian Financial Reporting Standards 9, Financial Instruments*
- \*2 Based on the issuance of 1,556,941,898 RCPS at the issue price of RM0.325 per RCPS
- \*3 After deducting the estimated expenses in relation to the Corporate Exercises amounting to RM1.5 million
- \*4 Assuming all 1,556,941,898 RCPS are converted into 1,556,941,898 new PPB Shares at a conversion price of RM0.325 per RCPS



### **8.3 Earnings and EPS**

The Rights Issue of RCPS is not expected to have any material impact on the earnings of our Group for the FYE 31 December 2019 as the Rights Issue of RCPS is only expected to be completed by the 1<sup>st</sup> quarter of 2020. However, the issuance of the new PPB Shares arising from the conversion of the RCPS will dilute our Group's EPS/ loss per Share as a result of the increased number of PPB Shares in issue during the tenure of the RCPS.

### **8.4 Convertible securities**

As at the LPD, our Company does not have any convertible securities.

## **9. WORKING CAPITAL AND SOURCES OF LIQUIDITY, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS**

### **9.1 Working capital and sources of liquidity**

Our Group's working capital requirements have been funded by a combination of internal and external sources of funds. Our internal sources of funds are generated from our operating activities as well as our existing cash and bank balances, whereas our external sources of funds are derived from advances from the Dayang Group, credit extended by suppliers and credit facilities from licensed financial institutions. The credit term granted to us by our suppliers is between 30 and 60 days.

As at the LPD, our Group held cash and bank balances of RM32.6 million. We do not have any bank overdraft facility as at LPD.

Our Board is of the opinion that, after taking into consideration the funds generated from our operations and existing cash and bank balances, we will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus under the Minimum Scenario.

In addition, our Board is of the opinion that, after taking into consideration the funds generated from our operations, existing cash and bank balances as well as proceeds to be raised from the Rights Issue of RCPS, we will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus under the Maximum Scenario.

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## 9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM132.0 million (excluding advances from Dayang of approximately RM645.7 million). All our borrowings are interest-bearing and denominated in both local and foreign currency, as set out below:-

### 9.2.1 Local currency

As at the LPD, our Group has approximately RM18.3 million in borrowings denominated in local currency, representing 13.9% of our total borrowings, which comprise the following:-

Purpose of facility		Interest rate	RM'000
		%	
<b>Long term borrowings:-</b>			
Islamic facility	To refinance our borrowing denominated in USD	2.02	14,143
<b>Short term borrowings:-</b>			
Islamic facility	To refinance our borrowing denominated in USD	2.02	2,357
Revolving credit	For working capital requirements	4.43	1,832
<b>Total borrowings</b>			<b>18,332</b>

### 9.2.2 Foreign currency

As at the LPD, our Group has approximately RM113.6 million in borrowings denominated in foreign currency, representing 86.1% of our total borrowings, which comprise the following:-

Purpose of facility		Interest rate	USD'000	RM'000 <sup>*1</sup>
		%		
<b>Long term borrowings:-</b>				
Term loans	To part finance the purchase of vessels	3.85 – 4.13	17,606	73,215
<b>Short term borrowings:-</b>				
Term loans	To part finance the purchase of vessels	3.85 – 4.13	9,718	40,412
<b>Total borrowings</b>			<b>27,324</b>	<b>113,627</b>

#### Note:-

\*1 Based on the exchange rate of USD1: RM4.1585, being the middle rate as quoted by BNM as at 5.00 p.m. on the LPD

As at the LPD, our Group does not have any non-interest bearing borrowings.

### 9.2.3 Advances owing by our Company to Dayang

As at the LPD, our Company has advances owing to Dayang of approximately RM645.7 million, which comprise the following:-

	Purpose of advances	Interest rate %	RM'000
As at 31 December 2018	For the working capital requirements of our Group	6.0	190,661
PPB Repayment 2019	PPB Repayment 2019	6.0	90,000
PPB Settlement	PPB Settlement	-	365,000
<b>Total</b>			<b>645,661</b>

Notwithstanding the above, the advances owing by our Company to Dayang will be reduced to RM190.7 million upon completion of the Rights Issue of RCPS pursuant to the Set-off Arrangement and/ or the partial repayment of the advances owing by our Company to Dayang via cash proceeds to be raised from the Rights Issue of RCPS.

Our Group has not defaulted on payments of either interest and/ or principal sums in respect of any borrowings during the FYE 31 December 2018 and the subsequent financial period up to the LPD.

For information purposes, as disclosed in Note 13 of the latest audited consolidated financial statements for the FYE 31 December 2018 of our Company, our Group is subject to the following significant loan covenants on loans and borrowings:-

- i. book equity not less than USD40 million;
- ii. debt service coverage ratio of at least 1.5 times;
- iii. debt to net worth ratio of not greater than 3 times;
- iv. tangible net worth equal to or more than RM500 million; and
- v. unencumbered cash not less than USD7 million or the equivalent in any other currency.

As at 31 December 2018, our Group has breached certain covenants for 2 term loans, has not complied with certain terms of the Sukuk Murabahah and received notices of default from a lender of a term loan, the details of which are set out below:-

Borrowings	During the FYE 31 December 2018 and the subsequent financial period up to the LPD	Status
Term loan 1	A subsidiary of PPB has breached several covenants as at 31 December 2018 for a term loan denominated in USD. As a result, the non-current portion of the term loan has been reclassified to current liabilities as at 31 December 2018. The said term loan of USD6.0 million as at 31 December 2018 was due for full repayment in October 2019.	The outstanding amount of this term loan stood at USD6.0 million as at the LPD.  The tenure of this term loan is expected to be extended for a maximum period of 48 months at reduced interest rate effective from the finalisation of the restructured terms with the lender in the 4 <sup>th</sup> quarter of 2019.

<b>Borrowings</b>	<b>During the FYE 31 December 2018 and the subsequent financial period up to the LPD</b>	<b>Status</b>
Term loan 2	<p>A subsidiary of PPB has breached a covenant as at 31 December 2018 for a term loan denominated in USD. As a result, the non-current portion of the term loan has been reclassified to current liabilities as at 31 December 2018.</p> <p>In addition, the said subsidiary had received notices of default from the lender of the term loan during the FYE 31 December 2018 whereby the balance owing to the lender was RM16.8 million as at 31 December 2018 and has been classified as current liabilities in view that the balance owing is also due for full repayment in November 2018.</p>	The outstanding amount of this term loan of RM16.8 million as at 31 December 2018 has been fully settled and refinanced into a new Islamic facility denominated in RM of RM16.5 million over a tenure of 7 years in August 2019.
Sukuk Murabahah	The non-current portion of the Sukuk Murabahah of RM365.0 million has been reclassified to current liabilities due to non-compliance of certain terms under an Al-Kafalah facility agreement dated 13 April 2016.	The outstanding nominal value of the Sukuk Murabahah of RM365.0 million has been fully redeemed on 15 November 2019 via proceeds raised from the Dayang Sukuk Programme.

We wish to highlight that the above forms part of the group-wide debt restructuring exercise currently undertaken by the Dayang Group.

### 9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	<b>RM'000</b>
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries <sup>*1</sup>	113,627
Corporate guarantee given to a licensed financial institution for a short term facility secured by Dayang <sup>*2</sup>	90,000
Corporate guarantee given to licensed institutions regulated by BNM for the Dayang Sukuk Programme	682,500
<b>Total</b>	<b><u>796,127</u></b>

#### Notes:-

- \*1 Include a corporate guarantee given for the Term loan 1 as mentioned in Section 9.2 of this Abridged Prospectus. The said corporate guarantee is not called upon by the lender as at the LPD

- \*2 Dayang had, in April 2019, secured a short term loan facility from a licensed financial institution to bridge the PPB Repayment 2019. The short term loan facility has been repaid from the proceeds raised from the Dayang Sukuk Programme on 15 November 2019. As such, the corporate guarantee is no longer effective and shall be cancelled within 60 days after the issuance of the Dayang Sukuk Programme

#### **9.4 Material commitments**

As at the LPD, our Board confirmed that there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have been provided for which, upon becoming enforceable, may have a material impact on the financial results or position of our Group.

#### **9.5 Material transactions**

Save as disclosed below, our Board confirmed that there are no other transactions which may have a material effect on our Group's operations, financial position and results since the last audited consolidated financial statements of our Group for the FYE 31 December 2018:-

- i. acquisition of the entire issued and paid-up share capital of Mount Santubong Ltd by Perdana Jupiter Ltd (our wholly-owned subsidiary) from NFC Shipping Fund C LLC for a total cash consideration of USD1.00 (as announced on 23 May 2019 and was subsequently completed on 5 July 2019).

### **10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION AND PAYMENT FOR THE RCPS**

#### **10.1 General**

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional RCPS which you are entitled to subscribe for in full or in part in accordance with the terms and conditions of the Rights Issue of RCPS. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional RCPS into your CDS Account and the RSF to enable you to subscribe for such RCPS provisionally allotted to you, as well as to apply for the Excess RCPS, if you choose to do so.

We shall make an announcement on the outcome of the Rights Issue of RCPS after the Closing Date.

#### **10.2 NPA**

The Provisional RCPS are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional RCPS will be by way of book entries through CDS Accounts and will be governed by the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You and/ or your renounees and/ or your transferees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

#### **10.3 Last day, date and time for acceptance and payment**

The last time, day and date for acceptance of and payment for the Provisional RCPS and the Excess RCPS is at **5.00 p.m. on Monday, 23 December 2019.**

#### 10.4 Methods of acceptance and application

You may subscribe for the Provisional RCPS as well as apply for the Excess RCPS, if you choose to do so, using either of the following methods:-

<b>Method</b>	<b>Category of Entitled Shareholders</b>
RSF	All Entitled Shareholders
e-Subscription	All individual Entitled Shareholders

#### 10.5 Procedures for acceptance and payment

##### 10.5.1 By way of RSF

If you and/ or renounees and/ or transferees (if applicable) wish to accept your or their entitlement to the Provisional RCPS, the acceptance of and payment for the Provisional RCPS must be made on the respective RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained in the Documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renounees and/ or transferees (if applicable) who wish to accept the Provisional RCPS must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from the Bursa Securities' website at ([www.bursamalaysia.com](http://www.bursamalaysia.com)) and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to our Entitled Shareholders also apply to renounees and/ or transferees (if applicable) who wish to accept the Provisional RCPS.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RCPS PROVISIONALLY ALLOTTED TO YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL RCPS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.**

**YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.**

You and/ or renounees and/ or transferees (if applicable) who wish to accept your or their entitlement to the Provisional RCPS, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed RSF together with the relevant payment must be despatched **BY ORDINARY POST, BY COURIER or DELIVERED BY HAND** (at your own risk) to our Share Registrar at the following address:-

**Tricor Investor & Issuing House Services Sdn Bhd**

Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan

or

**Tricor Customer Service Centre**

Unit G-3, Ground Floor, Vertical Podium  
Avenue 3, Bangsar South  
No.8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan

Tel. No.: +603-2783 9299

Fax. No.: +603-2783 9222

so as to arrive **not later than 5.00 p.m. on Monday, 23 December 2019**, being the last time, day and date for acceptance of and payment for the RCPS.

1 RSF can only be used for acceptance of Provisional RCPS standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional RCPS standing to the credit of more than 1 CDS Account. The RCPS subscribed by you in accordance with the procedures set out in the RSF will be credited into the respective CDS Accounts where the Provisional RCPS are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You and/ or your renounees and/ or your transferees (if applicable) should take note that a trading board lot for the RCPS comprises 100 RCPS. The minimum number of securities that can be subscribed for or accepted is 1 RCPS. Fractions of RCPS, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional RCPS are not received by our Share Registrar by **5.00 p.m. on Monday, 23 December 2019**, being the last time, day and date for acceptance and payment, you will be deemed to have declined the Provisional RCPS allotted to you and it will be cancelled. Such RCPS not taken up will be allotted to the applicants applying for Excess RCPS in the manner as set out in Section 10.9 of this Abridged Prospectus.

**Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement will be issued for the receipt of the RSF or the accompanying subscription monies for your acceptance of the Provisional RCPS. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.**

If you and/ or your renounees and/ or transferees (if applicable) lose, misplace or for any other reasons require another copy of this Abridged Prospectus and/ or the RSF, you may obtain additional copies from your stockbrokers, our Share Registrar at the address stated above or at our Registered Office or the website of Bursa Securities' ([www.bursamalaysia.com](http://www.bursamalaysia.com)).

**APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**ALL RCPS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF RCPS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RCPS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) WHERE THE PROVISIONAL RCPS ARE STANDING TO THE CREDIT. NO PHYSICAL CERTIFICATE WILL BE ISSUED.**

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE MADE IN RM FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RCPS ACCEPTED, IN THE FORM OF BANKER'S DRAFT, CASHIER'S ORDER, MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "PPB RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.**

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF RCPS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RCPS, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED AND FORWARDED BY ORDINARY POST TO THE SUCCESSFUL APPLICANTS TO THE ADDRESS LAST SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**



**ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RCPS MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED STRICTLY IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/ OR PAYMENTS WHICH DO NOT CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) FOR SUCH ACCEPTANCES.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY WAY OF ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

#### **10.5.2 By way of e-Subscription**

Subsequent to the Entitlement Date, our Company will, at its discretion, authorise our Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue of RCPS on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is only available to Entitled Shareholders who are individuals. Corporation or institutional Entitled Shareholders will have to complete the RSF for the application for the Rights Issue of RCPS as set out in Section 10.5.1 of this Abridged Prospectus.

Individual Registered Entitled Shareholders who wish to subscribe for the Provisional RCPS and apply for the Excess RCPS by way of e-Subscription shall take note of the following:-

- i. any e-Subscription received by our Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by our Share Registrar from you, is irrevocable and shall be binding on you;
- ii. you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Accounts. Accordingly, for each CDS Account, you can choose to subscribe the Provisional RCPS which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;

- iii. the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and condition of TIIH Online, Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of our Company. Our Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- iv. the number of Provisional RCPS you are entitled to under the Rights Issue of RCPS is set out in the e-RSF. You are required to indicate the number of Provisional RCPS you wish to accept and number of Excess RCPS you wish to apply in the e-RSF;
- v. the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway;
- vi. a handling fee of **RM5.00 per e-RSF** is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- vii. the new RCPS arising from the Provisional RCPS accepted and Excess RCPS applied (if successful pursuant to Procedure for Excess Application as stated in Section 10.9 of this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional RCPS.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional RCPS, please read and follow the procedures set below:-

**i. Sign up as a user of TIIH Online**

- a) Access TIIH Online at <https://tiih.online>.
- b) Sign up as a user of TIIH Online under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance.
- c) Registration will be approved within one working day by email.
- d) Proceed to activate your account by re-setting your password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again.

**ii. Procedures to make e-Subscription**

- a) Login to TIIH Online at <https://tiih.online> with your user name (i.e. your registered e-mail address) and password.
- b) Select the corporate exercise name: PPB Rights Issue of RCPS.

- c) Read and agree to the Terms & Conditions and confirm the Declaration.
- d) Preview your CDS Account details and your Provisional RCPS.
- e) Select the relevant CDS Account and insert the number of Provisional RCPS to subscribe and the number of Excess RCPS to apply (if applicable) in the e-RSF.
- f) Review and confirm the number of Provisional RCPS which you are subscribing and the number of Excess RCPS you are applying (if applicable) and the total amount payable for the Provisional RCPS and Excess RCPS (if applicable).
- g) Payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF will be included in the total amount payable.
- h) Proceed for payment via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- j) Print the payment receipt and your e-RSF for your reference and record.

**iii. Terms and conditions for e-Subscription**

The e-Subscription of Provisional RCPS and Excess RCPS (if successful) shall be made on and subject to the terms and conditions appearing herein:-

- a) After login to TIIH Online, you are required to confirm and declare the following information given is true and correct:-
  - 1. you have attained 18 years of age as at the last day for subscription payment;
  - 2. you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/ or have had access to this Abridged Prospectus from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com), the contents of which you have read and understood; and
  - 3. you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 6 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;

- b) you agree and undertake to subscribe for and to accept the number of Provisional RCPS and Excess RCPS applied for (if applicable) as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of RCPS that may be allotted to you.
- c) by making and completing your e-Subscription, you, if successful, request and authorise our Share Registrar or our Company to credit the RCPS allotted to you into your CDS Account.
- d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:-
1. our Company or our Share Registrar does not receive your e-Subscription; or
  2. data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Share Registrar,
- you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or our Share Registrar for the Provisional RCPS accepted and/ or Excess RCPS applied for or for any compensation, loss or damage relation to the e-Subscription.
- e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.
- f) by making and completing an e-Subscription, you agree that:-
1. in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional RCPS accepted and the Excess RCPS applied for (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
  2. our Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control.
- g) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

h) notification on the outcome of your e-Subscription for the Provisional RCPS and the Excess RCPS will be despatched to you by ordinary post to address as shown in the Record of Depositors of our Company at your own risk within the timeline as follows:-

1. successful application – a notice of allotment will be despatched within 8 Market Days from the Closing Date; or
2. unsuccessful or partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information with Bursa Depository the refund will be made by way of issuance of cheque and sent by ordinary post to the address last shown in the Record of Depositors provided by Bursa Depository at your own risk.

#### **10.6 Procedures for part acceptance**

You are entitled to accept part of your Provisional RCPS provided that the minimum number of RCPS that can be subscribed for or accepted is 1 RCPS. Fractional RCPS shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interest of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Provisional RCPS which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. Please refer to Sections 10.5.1 and 10.5.2 of this Abridged Prospectus for the procedures for acceptance and payment by way of RSF and e-Subscription.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED HEREIN.**

The portion of the Provisional RCPS that have not been accepted will be made available to applicants for Excess Applications.

#### **10.7 Procedures for sale or transfer of Provisional RCPS**

As the Provisional RCPS are renounceable securities, you may sell or transfer all or part of your entitlement to the Provisional RCPS or transfer all or part of your entitlement to 1 or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional RCPS standing to the credit in your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional RCPS, you may sell such entitlement on Bursa Securities or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository, both for the period up to the last day, date and time for the sale and transfer of the Provisional RCPS.

If you have sold or transferred only part of the Provisional RCPS, you may still accept the balance of the Provisional RCPS by completing Parts I(A) and II of the RSF. Please refer to Sections 10.5.1 and 10.5.2 of this Abridged Prospectus for the procedures for acceptance and payment by way of RSF and e-Subscription.

In selling or transferring all or part of your Provisional RCPS, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional RCPS standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

#### 10.8 Procedure for acceptance by renounees and/ or transferees

Renounees and/ or transferees (if applicable) who wish to accept the Provisional RCPS by way of RSF must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>), complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

Alternatively, you may login to <https://tjih.online> to subscribe for the Provisional RCPS by way of e-Subscription.

The procedures for acceptance and payment applicable to the Entitled Shareholders as set out in Sections 10.5.1 and 10.5.2 of this Abridged Prospectus also apply to renounees and/ or transferees (if applicable) who wish to accept the Provisional RCPS.

#### 10.9 Procedures for application for Excess RCPS

##### 10.9.1 By way of RSF

If you are an Entitled Shareholder and/ or a renounee and/ or transferee (if applicable), you may apply for the Excess RCPS in addition to your Provisional RCPS. If you wish to do so, please complete Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** made in RM for the **FULL** and **EXACT** amount payable in respect of the Excess RCPS applied for) using the envelope provided. Each completed RSF together with the relevant payment must be despatched **BY ORDINARY POST, COURIER or DELIVERED BY HAND** (at your own risk) to our Share Registrar at the address as set out in Section 10.5.1 of this Abridged Prospectus, so as to arrive by the Closing Date.

**PAYMENT FOR THE EXCESS RCPS APPLIED SHOULD BE MADE IN THE SAME MANNER DESCRIBED IN SECTION 10.5.1 OF THIS ABRIDGED PROSPECTUS, EXCEPT THAT THE BANKER'S DRAFT OR CASHIER'S ORDER OR MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA BE MADE PAYABLE TO "PPB EXCESS RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RCPS APPLIED FOR. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. CHEQUES OR OTHER MODES OF PAYMENT NOT PRESCRIBED HEREIN ARE UNACCEPTABLE.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF RCPS.**

### 10.9.2 By way of e-Subscription

If you are an Entitled Shareholder and/ or renounee and/ or transferee (if applicable) who is an individual, you may apply for the Excess RCPS via e-Subscription in addition to your Provisional RCPS. If you wish to do so, you may apply for the Excess RCPS by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

The e-Subscription for Excess RCPS will be made on, and subject to, the same terms and conditions appearing in Section 10.5.2 of this Abridged Prospectus.

It is the intention of our Board to allot the Excess RCPS, if any, in a fair and equitable manner to the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) who have applied for the Excess RCPS in the following priority:-

- i. firstly, to minimise the incidence of odd lots;
- ii. secondly, for allocation to the Entitled Shareholders who have applied for the Excess RCPS under the Excess Application, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- iii. thirdly, for allocation to the Entitled Shareholders who have applied for the Excess RCPS under the Excess Application, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess RCPS applied for; and
- iv. fourthly, for allocation to renounees and/ or transferees (if applicable) who have applied for the Excess RCPS under the Excess Application, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess RCPS applied for.

In the event there is any remaining balance of Excess RCPS applied for by the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable), who have applied for the Excess RCPS after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess RCPS to the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) who have applied for the Excess RCPS until such balance is fully allocated.

Nonetheless, our Board reserves the right to allot the Excess RCPS applied for by the Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) in such manner as our Board deems fit, expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable manner and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the rights, at its absolute discretion, to accept in full or in part any application for the Excess RCPS without assigning any reason thereof.

The final basis of allocation of the Excess RCPS will be announced on Bursa Securities together with the result of the total valid acceptances and excess applications after the Closing Date.

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY WAY OF ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.**

#### **10.10 Notice of allotment**

Upon allotment of the RCPS in respect of your acceptance and/ or your renounee and/ or transferee acceptance (if applicable) and Excess Application (if any), the RCPS shall be credited directly into the respective CDS Account where the Provisional RCPS were credited. No physical certificates will be issued in respect of the RCPS. However, a notice of allotment will be despatched to you and/ or your renounee and/ or transferee (if applicable), by ordinary post within 8 Market Days from Closing Date, or such other period as may be prescribed or allowed by Bursa Securities, at the address last shown in the Record of Depositors at your own risk.

Where any application for the RCPS is not accepted due to non-compliance with the terms of the RCPS or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest. The refund will be credited into your bank account registered with Bursa Depository for the purpose of cash dividend or distribution. If you have not registered such bank account with Bursa Depository, the refund will be made by way of issuance of cheque and shall be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown in the Record of Depositors at your own risk.

Please note that a completed RSF or e-RSF and the payment thereof once lodged with our Share Registrar cannot be withdrawn subsequently.

#### **10.11 Form of issuance**

Bursa Securities has already prescribed the RCPS to be listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the RCPS are prescribed securities and as such, all dealings in the RCPS will be subject to SICDA, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical certificates will be issued in respect of the RCPS. A notice of allotment will be despatched to the respective Entitled Shareholders and/ or their renounees and/ or transferees (as the case may be) by ordinary post to the address last shown in the Record of Depositors provided by Bursa Depository at their own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the RCPS are provisionally allotted to Entitled Shareholders in respect of their existing PPB Shares standing to the credit in their CDS Account as the Entitlement Date, the acceptance by Entitled Shareholders of the Provisional RCPS shall mean that they consent to receive such Provisional RCPS as prescribed or deposited securities which will be credited directly into their CDS Account.



Any person who has purchased the Provisional RCPS or to whom the Provisional RCPS has been transferred and intends to subscribe for the RCPS must state his or her CDS Account number in the space provided in the RSF or e-RSF. The RCPS will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess RCPS, if allotted to the successful applicant who applies for Excess RCPS, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in Section 10.9 of this Abridged Prospectus.

#### **10.12 Laws of foreign jurisdictions**

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any jurisdiction other than Malaysia. The Rights Issue of RCPS to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue of RCPS will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia and no action has been or will be taken to ensure that the Rights Issue of RCPS complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of RCPS only to the extent that it would be lawful to do so.

Our Principal Adviser, our Company, our Directors, our officers and other professional advisers (collectively, the "Parties") would not, in connection with the Rights Issue of RCPS, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) are solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties do not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable), is or will become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents have not been (and will not be) sent to the Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid Documents.

Our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia other than as stated in the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue of RCPS and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue of RCPS and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you have accepted the Rights Issue of RCPS in Malaysia and will at all applicable times be subject to the laws of Malaysia.

The Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we will be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. The Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable), will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue of RCPS. Such Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of RCPS.

By signing any of the forms in the Documents, the Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:-

- i. the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue of RCPS, be in breach of the laws of any jurisdiction to which those Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) are or may be subject to;
- ii. Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional RCPS;
- iii. Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) are not nominees or agents of any person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional RCPS, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- iv. Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) are aware that the Provisional RCPS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- v. Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the RCPS; and

- vi. Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the RCPS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the RCPS.

Persons receiving the Documents (including, without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send the Documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the RCPS from any such application by Foreign Entitled Shareholders and/ or their renounees and/ or transferees (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the RCPS as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional RCPS relating to any acceptance which is treated as invalid will be included in the pool of Excess RCPS available for Excess Application by the other Entitled Shareholders. You and/ or your renounees and/ or your transferees (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/ or your renounees' and/ or transferees' (if applicable) entitlements under the Rights Issue of RCPS or to any net proceeds thereof.

## 11. TERMS AND CONDITIONS

The issuance of the RCPS pursuant to the Rights Issue of RCPS is governed by the terms and conditions as set out in the Documents enclosed herewith.

## 12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of our Board  
**PERDANA PETROLEUM BERHAD**

  
**DATUK DR ABD HARIZ BIN ABDULLAH**  
Independent Non-Executive Director

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**APPENDIX I – SALIENT TERMS OF THE RCPS**


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The salient terms of the RCPS are as set out below:-

Issuer	:	PPB
Issue size	:	Up to 1,556,941,898 RCPS
Issue price	:	RM0.325 per RCPS
Tenure	:	10 years commencing from and inclusive of the date of issuance of the RCPS, which shall be a Market Day.
Final Redemption Date	:	1 Market Day prior to the 10 <sup>th</sup> anniversary of the date of issuance of the RCPS, which shall be a Market Day.
Form and denomination	:	The RCPS will be issued in registered form and in denominations or multiples of the Issue Price.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of RCPS will be 100 RCPS or in such denomination permitted by Bursa Securities from time to time.
Dividend rate	:	Nil.
Conversion Rights	:	The RCPS shall be convertible into Conversion Shares at the option of the RCPS holders in accordance with the Conversion Ratio, either in whole or in part, at any time during the Conversion Period upon the tendering of a valid conversion notice by the RCPS holder. Such conversion will not require payment of additional consideration by the holder.
Conversion Ratio	:	1 RCPS is convertible into 1 PPB Share.  The Conversion Ratio may be subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital on or before the Final Redemption Date, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution of our Company. No adjustment to the Conversion Ratio shall be made unless it has been certified by a professional adviser or external auditor of our Company.
Conversion Price	:	RM0.325 per RCPS.  The Conversion Price may be subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital on or before the Final Redemption Date, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution of our Company. No adjustment to the Conversion Price shall be made unless it has been certified by a professional adviser or external auditor of our Company.
Conversion Shares	:	New PPB Shares to be issued upon conversion of the RCPS.

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**APPENDIX I – SALIENT TERMS OF THE RCPS (CONT'D)**

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- Conversion Period : The period beginning from the date of the issuance of the RCPS, which shall be a Market Day, up to the date occurring on the Final Redemption Date.
- Redemption : Our Company shall have the option to redeem the RCPS in cash at 100% of the issue price of the RCPS, in whole or in part (but always in the same proportion in relation to each RCPS holder), at any time during the tenure of the RCPS. Our Company shall give the RCPS holders no less than 30 calendar days' notice prior to the date of redemption. The RCPS holders shall be entitled to exercise their Conversion Rights in the event our Company issues notice of redemption. The RCPS which have been redeemed will be cancelled and cannot be reissued.
- Any outstanding RCPS not redeemed or converted into Conversion Shares at the end of the tenure of the RCPS shall be automatically converted into Conversion Shares.
- Voting rights : RCPS holders shall have the same rights as ordinary shareholders to receive notices, reports and audited financial statements, and to attend general meetings of our Company.
- The RCPS holders shall not be entitled to voting rights except where there is:-
- i. proposal to reduce our Company's share capital;
  - ii. a proposal for the disposal of the whole of our Company's property, business and undertaking;
  - iii. a proposal that affects the rights and privileges attached to the RCPS, including the amendments to the Constitution of our Company; and
  - iv. a proposal to wind up our Company.
- In any of the above circumstances, each RCPS holder shall be entitled to vote at all general meetings of our Company, and on a poll at any such general meetings to 1 vote for each RCPS held.
- Listing status of the RCPS : The RCPS shall be listed and quoted on the Main Market of Bursa Securities.
- Ranking of RCPS : The RCPS shall, upon allotment and issue, be unsecured and rank *pari passu* in all respects with each other but in priority to all ordinary shares of our Company but shall rank behind all secured and unsecured obligations of our Company. The RCPS holders shall not be entitled to participate in any distributions (including profits) beyond such rights as are expressly set out herein and/ or offer of further securities in our Company by way of rights until and unless such RCPS has been converted into new PPB Shares.

**APPENDIX I – SALIENT TERMS OF THE RCPS (CONT'D)**

Ranking of RCPS (Cont'd)	In the event of any liquidation, dissolution or winding up of our Company (including a merger or consolidation and a sale, lease, transfer, exclusive licence or other disposition of all or substantially all of the assets of our Company), the RCPS holders shall be paid in priority to all holder of ordinary shares cash repayment in full up to the amount equivalent to the redemption sum from the sale proceeds after the repayment and discharge of all debts and liabilities of our Company and the costs of winding up or such capital reduction exercise.
Listing status of the Conversion Shares	: The Conversion Shares shall be listed and quoted on the Main Market of Bursa Securities.
Ranking of the Conversion Shares	: The Conversion Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing issued PPB Shares. However, such Conversion Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions unless such Conversion Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions.
Participation in surplus assets and profits	: The RCPS holders shall not be entitled to participate in profits and surplus assets in a winding up or upon reduction of capital beyond such rights as are expressly set out above.
Modification of rights	: Any variation, modification or abrogation of the rights and privileges attached to the RCPS shall require the sanction of a special resolution or the consent in writing of the RCPS holders holding or representing not less than 75% of the outstanding RCPS.
Rating	: Not applicable.
Transferability	: The RCPS shall be transferable.
Governing law	: Malaysian Law.

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## **APPENDIX II – INFORMATION ON OUR COMPANY**

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### **1. INCORPORATION AND PRINCIPAL ACTIVITIES**

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 28 December 1995 as a private limited company under the name of Petra Perdana Sdn Bhd and is deemed registered under the Act. On 1 July 1997, it was converted into a public limited company under the name of Petra Perdana Bhd and subsequently changed its name to Perdana Petroleum Berhad on 7 July 2011. Our Company was listed on the Second Board of Bursa Securities on 16 August 2000 and was subsequently transferred to the Main Board (now known as Main Market) of Bursa Securities on 23 January 2003.

Our Company is an investment holding company. Our Company, through our subsidiaries, provides marine support services which include the provision of vessels for the upstream O & G industry.

Our Group owns and operates a fleet of vessels comprising 8 AHTSs, 6 AWBs and 2 WBs which are capable in the provision of marine support services such as tugging or towing ships or oil-rigs as well as providing accommodation floatel to offshore personnel.

### **2. SHARE CAPITAL**

Our Company's issued share capital as at the LPD is RM411,219,267 comprising 778,470,949 PPB Shares.

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**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)****3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Assuming only the Undertaking Shareholder subscribes for their entitlement in full and the Excess Application pursuant to the Undertakings, the pro forma effects of the Rights Issue of RCPS on the substantial shareholders' shareholdings in our Company as at the LPD are set out below:-

**Minimum Scenario**

Name	As at the LPD			(I) After the Rights Issue of RCPS			(II) After (I) and assuming full conversion of the RCPS		
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Dayang	470,786,650	60.48	-	470,786,650	60.48	-	1,870,786,650	85.88	-
Naim Holdings	76,986,429	9.89	470,786,650 <sup>*1</sup>	76,986,429	9.89	470,786,650 <sup>*1</sup>	76,986,429	3.53	1,870,786,650 <sup>*1</sup>
Tengku Dato' Yusof	-	-	470,786,650 <sup>*1</sup>	-	-	470,786,650 <sup>*1</sup>	-	-	1,870,786,650 <sup>*1</sup>
Joe Ling	-	-	470,786,839 <sup>*2</sup>	-	-	470,786,839 <sup>*2</sup>	-	-	1,870,786,839 <sup>*2</sup>
Datuk Hasmi	290,202	0.04	547,773,079 <sup>*3</sup>	290,202	0.04	547,773,079 <sup>*3</sup>	290,202	0.01	1,947,773,079 <sup>*3</sup>
Datuk Ling	97	.*	470,786,742 <sup>*4</sup>	97	.*	470,786,742 <sup>*4</sup>	97	.*	1,870,786,742 <sup>*4</sup>
Datuk Amar	-	-	547,773,079 <sup>*3</sup>	-	-	547,773,079 <sup>*3</sup>	-	-	1,947,773,079 <sup>*3</sup>

**Notes:-**

- \* Negligible
- \*1 Deemed interested pursuant to Section 8 of the Act by virtue of its or his substantial shareholdings in Dayang
- \*2 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and PPB Shares held by his father, Datuk Ling and his father's interest in Vogue Empire Sdn Bhd
- \*3 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Naim Holdings
- \*4 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Vogue Empire Sdn Bhd



## APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)

**Maximum Scenario**

Name	As at the LPD				(I) After the Rights Issue of RCPS				(II) After (I) and assuming full conversion of the RCPS			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Dayang	470,786,650	60.48	-	-	470,786,650	60.48	-	-	1,412,359,950	60.48	-	-
Naim Holdings	76,986,429	9.89	470,786,650 <sup>*1</sup>	60.48	76,986,429	9.89	470,786,650 <sup>*1</sup>	60.48	230,959,287	9.89	1,412,359,950 <sup>*1</sup>	60.48
Tengku Dato' Yusof	-	-	470,786,650 <sup>*1</sup>	60.48	-	-	470,786,650 <sup>*1</sup>	60.48	-	-	1,412,359,950 <sup>*1</sup>	60.48
Joe Ling	-	-	470,786,839 <sup>*2</sup>	60.48	-	-	470,786,839 <sup>*2</sup>	60.48	-	-	1,412,360,517 <sup>*2</sup>	60.48
Datuk Hasmi	290,202	0.04	547,773,079 <sup>*3</sup>	70.37	290,202	0.04	547,773,079 <sup>*3</sup>	70.37	870,606	0.04	1,643,319,237 <sup>*3</sup>	70.37
Datuk Ling	97	-*	470,786,742 <sup>*4</sup>	60.48	97	-*	470,786,742 <sup>*4</sup>	60.48	291	-*	1,412,360,226 <sup>*4</sup>	60.48
Datuk Amar	-	-	547,773,079 <sup>*3</sup>	70.37	-	-	547,773,079 <sup>*3</sup>	70.37	-	-	1,643,319,237 <sup>*3</sup>	70.37

**Notes:-**

- \* Negligible
- \*1 Deemed interested pursuant to Section 8 of the Act by virtue of its or his substantial shareholdings in Dayang
- \*2 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and PPB Shares held by his father, Datuk Ling and his father's interest in Vogue Empire Sdn Bhd
- \*3 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Naim Holdings
- \*4 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Vogue Empire Sdn Bhd

**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)****4. BOARD OF DIRECTORS**

The details of our Board as at the LPD are set out below:-

<b>Name</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>
Datuk Ling Suk Kiong <i>(Executive Chairman)</i>	73	Lot No. 2908, Jalan Limau 2/2 Pujut 5 98000 Miri Sarawak	Malaysian
Bailey Kho Chung Siang <i>(Executive Director)</i>	58	Lot 2513, Millenium Garden Jalan Datuk Muip 98000 Miri Sarawak	Malaysian
Alias Bin Mat Lazin <i>(Executive Director)</i>	50	No. 1, Jalan Bullion Mewah 2 Taman Bullion Mewah 68100 Kuala Lumpur	Malaysian
Datuk Hasmi Bin Hasnan <i>(Non-Independent Non-Executive Director)</i>	66	Lot 5747, Block 10, Desa Pujut Bandar Baru Permyjaya 98000 Miri Sarawak	Malaysian
Chin Chee Kong <i>(Non-Independent Non-Executive Director)</i>	61	No. 111, Lorong 4 Jalan Arang 93250 Kuching Sarawak	Malaysian
Datuk Dr Abd Hapiz Bin Abdullah <i>(Independent Non-Executive Director)</i>	61	No. 24, Jalan Serunai 2 Taman Klang Jaya 41200 Klang Selangor Darul Ehsan	Malaysian
Datuk Mohd Jafni Bin Mohd Alias <i>(Independent Non-Executive Director)</i>	53	No. 74, Jalan UP 3/2 Ukay Perdana 68000 Ampang Selangor Darul Ehsan	Malaysian
Dato' Gerald Hans Isaac <i>(Independent Non-Executive Director)</i>	48	No. 14, Jalan Chong Khoon Lin Ukay Heights 68000 Ampang Selangor Darul Ehsan	Malaysian

**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**

Save for those disclosed below, none of the other Directors have any direct and/ or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue of RCPS on the shareholdings of our Company as at the LPD are set out below:-

**Minimum Scenario**

Name	As at the LPD				(I) After the Rights Issue of RCPS				(II) After (I) and assuming full conversion of the RCPS			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Ling	97	0.01	470,786,742 <sup>1</sup>	60.48	97	0.01	470,786,742 <sup>1</sup>	60.48	97	0.01	1,870,786,742 <sup>1</sup>	85.88
Bailey Kho Chung Siang	60,400	0.01	211,400 <sup>2</sup>	0.03	60,400	0.01	211,400 <sup>2</sup>	0.03	60,400	0.01	211,400 <sup>2</sup>	0.03
Alias Bin Mat Lazin	33,159	0.01	-	-	33,159	0.01	-	-	33,159	0.01	-	-
Datuk Hasmi	290,202	0.04	547,773,079 <sup>3</sup>	70.37	290,202	0.04	547,773,079 <sup>3</sup>	70.37	290,202	0.04	1,947,773,079 <sup>3</sup>	89.41

**Notes:-**

- \* Negligible
- \*1 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Vogue Empire Sdn Bhd
- \*2 Deemed interested pursuant to Section 59(1)(c) of the Act by virtue of PPB Shares held by his spouse
- \*3 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Naim Holdings

## APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)

**Maximum Scenario**

Name	As at the LPD				(I) After the Rights Issue of RCPS				(II) After (I) and assuming full conversion of the RCPS			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Ling	97	0.01	470,786,742 <sup>1</sup>	60.48	97	0.01	470,786,742 <sup>1</sup>	60.48	291	0.01	1,412,360,226 <sup>1</sup>	60.48
Bailey Kho Chung Siang	60,400	0.01	211,400 <sup>2</sup>	0.03	60,400	0.01	211,400 <sup>2</sup>	0.03	181,200	0.01	643,200 <sup>2</sup>	0.03
Alias Bin Mat Lazin	33,159	0.04	-	-	33,159	0.04	-	-	99,477	0.04	-	-
Datuk Hasmi	290,202	0.04	547,773,079 <sup>3</sup>	70.37	290,202	0.04	547,773,079 <sup>3</sup>	70.37	870,606	0.04	1,643,319,237 <sup>3</sup>	70.37

**Notes:-**

- \* Negligible
- \*1 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Vogue Empire Sdn Bhd
- \*2 Deemed interested pursuant to Section 59(1)(c) of the Act by virtue of PPB Shares held by his spouse
- \*3 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Dayang and Naim Holdings

## APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)

## 5. HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of our Group's key financial information based on our audited consolidated statements of comprehensive income, statements of financial position and statements of cash flows for the financial years and period under review:-

## i. Historical financial performance:-

	← Audited →			Unaudited
	FYE 31 December 2016 (RM'000)	FYE 31 December 2017 (RM'000)	FYE 31 December 2018 (RM'000)	9-month FPE 30 September 2019 (RM'000)
Revenue	191,711	147,787	189,653	175,953
Cost of services	(154,372)	(155,432)	(108,444)	(156,250)
<b>Gross profit / (loss)</b>	<b>37,339</b>	<b>(7,645)</b>	<b>9,209</b>	<b>19,703</b>
Other income	77,427	1,494	25,226	15,709
Administrative expenses	(15,405)	(8,198)	(12,822)	(12,287)
Other expenses	(74,795)	(115,983)	(6,551)	(2,109)
<b>Results from operating activities</b>	<b>24,566</b>	<b>(130,332)</b>	<b>15,062</b>	<b>21,016</b>
Finance income	2,203	2,989	2,526	1,454
Finance costs	(62,717)	(60,249)	(56,509)	(41,217)
Net finance costs	(60,514)	(57,260)	(53,983)	(39,763)
<b>Loss before taxation</b>	<b>(35,948)</b>	<b>(187,592)</b>	<b>(38,921)</b>	<b>(18,747)</b>
Taxation	7,902	1,486	(1,989)	(1,548)
<b>Loss after taxation</b>	<b>(28,046)</b>	<b>(186,106)</b>	<b>(40,910)</b>	<b>(20,295)</b>
Loss attributable to:-				
Owners of our Company	(28,040)	(186,106)	(40,910)	(20,294)
Non-controlling interest	(6)	-	-	(1)
	<b>(28,046)</b>	<b>(186,106)</b>	<b>(40,910)</b>	<b>(20,295)</b>
Gross profit/ (loss) margin (%)	19.5	(5.2)	4.9	11.2
Loss after taxation margin (%)	(14.6)	(125.9)	(21.6)	(11.5)
Number of Shares in issue ('000)	778,471	778,471	778,471	778,471
Weighted average number of Shares in issue ('000)	778,471	778,471	778,471	778,471
Basic/ Diluted loss per Share (sen)	(3.60)	(23.91)	(5.26)	(2.61)
Dividend paid (RM)	-	-	-	-

## APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)

## ii. Historical financial position:-

	← Audited →			Unaudited
	FYE 31 December 2016 (RM'000)	FYE 31 December 2017 (RM'000)	FYE 31 December 2018 (RM'000)	9-month FPE 30 September 2019 (RM'000)
Total non-current assets	1,604,101	1,315,380	1,279,723	1,206,333
Total current assets	111,841	108,676	95,214	110,012
<b>Total assets</b>	<b>1,715,942</b>	<b>1,424,056</b>	<b>1,374,937</b>	<b>1,316,345</b>
Share capital	389,235	411,219	411,219	411,219
Reserve	354,192	83,264	49,486	41,093
<b>Total equity attributable to owners of our Company</b>	<b>743,427</b>	<b>494,483</b>	<b>460,705</b>	<b>452,312</b>
Non-controlling interest	136	136	136	136
<b>Total equity</b>	<b>743,563</b>	<b>494,619</b>	<b>460,841</b>	<b>452,448</b>
Total non-current liabilities	696,291	116,857	3,437	93,263
Total current liabilities	276,088	812,580	910,659	770,634
<b>Total liabilities</b>	<b>972,379</b>	<b>929,437</b>	<b>914,096</b>	<b>863,897</b>
<b>Total liabilities and equity</b>	<b>1,715,942</b>	<b>1,424,056</b>	<b>1,374,937</b>	<b>1,316,345</b>
NA per Share (RM)	0.95	0.64	0.59	0.58

## iii. Historical cash flows:-

	← Audited →			Unaudited
	FYE 31 December 2016 (RM'000)	FYE 31 December 2017 (RM'000)	FYE 31 December 2018 (RM'000)	9-month FPE 30 September 2019 (RM'000)
Net cash from operating activities	163,797	17,521	76,610	51,794
Net cash from/ (used in) investing activities	(10,478)	15,976	36,967	(8,527)
Net cash used in financing activities	(140,624)	(74,367)	(95,343)	(26,608)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>12,695</b>	<b>(40,870)</b>	<b>18,234</b>	<b>16,659</b>
Effect of exchange rate movements	(23,079)	45,812	(9,081)	(4,730)
Cash and cash equivalent at beginning of financial years/ period	26,751	16,367	21,309	30,462
<b>Cash and cash equivalents at the end of financial years/ period</b>	<b>16,367</b>	<b>21,309</b>	<b>30,462</b>	<b>42,391</b>

**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)****Commentary on past performance****i. FYE 31 December 2018**

For the FYE 31 December 2018, our Group recorded revenue of RM189.7 million, which represents an increase of RM41.9 million or 28.3% as compared to the preceding financial year of RM147.8 million. The increase in revenue was mainly due to higher average charter rate which increased by approximately 15% from the preceding financial year and higher vessel utilisation rate at 64% compared to 52% in the FYE 31 December 2017. The higher vessel utilisation rate was a result of improved work orders and contracts awarded from oil majors due to the strengthening demand for our vessels.

Our Group recorded gross profit of RM9.2 million for the FYE 31 December 2018, which represents an increase of RM16.8 million or 221.1% as compared to gross loss of RM7.6 million in the preceding year. The gross profit recorded in the FYE 31 December 2018 was mainly due to higher revenue recorded as explained above.

Our other income for the FYE 31 December 2018 was RM25.2 million, which represents an increase of RM23.7 million or 1,580.0% as compared to the preceding year of RM1.5 million. The increase was mainly due to:-

- a) the realised gain on foreign exchange of RM17.3 million (FYE 31 December 2017: nil) mainly due to the strengthening of RM against other foreign currencies as part of our purchases and borrowings are denominated in foreign currencies; and
- b) the reversal of impairment losses on property, plant and equipment of RM6.7 million (FYE 31 December 2017: nil) as the estimated recoverable amounts of 7 of our vessels were higher than their carrying amounts based on an impairment assessment performance by us following the strengthening demand for our vessels.

Our administrative expenses for the FYE 31 December 2018 were RM12.8 million, which represent an increase of RM4.6 million or 56.1% as compared to the preceding year of RM8.2 million. The increase was mainly due to legal expenses of RM2.9 million incurred pertaining to the arbitration case in relation to the purchase of 2 units of AWBs which was settled in August 2018 as well as higher staff costs of RM1.5 million.

Our other expenses for the FYE 31 December 2018 were RM6.6 million, which represent a decrease of RM109.4 million or 94.3% as compared to the preceding year of RM116.0 million. The decrease was mainly due to the absence of impairment loss on property, plant and equipment and goodwill in FYE 31 December 2018 (FYE 31 December 2017: RM51.1 million and RM10.7 million, respectively) and lower unrealised loss on foreign exchange of RM5.8 million (FYE 31 December 2017: RM52.0 million) due to the strengthening of RM against other payables denominated in foreign currencies on reporting date.

Our net finance cost for the FYE 31 December 2018 was RM54.0 million, which represents a decrease of RM3.3 million or 5.8% as compared to the preceding year of RM57.3 million. The decrease was mainly due to RM101.0 million reduction in total borrowings arising from principal repayments during the FYE 31 December 2018.

**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**

Our Group recorded a lower loss before taxation of RM38.9 million for the FYE 31 December 2018, which represents a decrease of RM148.7 million or 79.3% as compared to the preceding financial year. The decrease was mainly due to lower other expenses incurred as well as higher other income and gross profit recorded.

The cash and cash equivalents net of deposits pledged as security of our Group for the FYE 31 December 2018 stood at RM30.5 million, which represents an increase of RM9.2 million or 43.2% as compared to the preceding year of RM21.3 million. The higher cash and cash equivalents were mainly due to:-

- a) higher cash from operating activities by RM59.1 million mainly attributable to higher cash generated from operations by RM58.5 million as a result of improved work orders and contracts performed; and
- b) higher net cash from investing activities by RM20.9 million mainly attributable to the net upliftment of pledged fixed deposit by RM47.4 million to repay the 2<sup>nd</sup> tranche principal repayment of the Sukuk Murabahah of RM90.0 million which was due on 27 April 2018 as well as profit payments in relation to the Sukuk Murabahah during the FYE 31 December 2018.

However, the cash inflow movement was partially offset by higher net cash used in financing activities by RM20.1 million mainly attributable to lower net advances from the Dayang Group by RM60.7 million amidst lower repayment of debt obligations by RM31.9 million arising from the CDRC standstill on principal repayments in the 2<sup>nd</sup> half of 2018.

**ii. 9-month FPE 30 September 2019**

For the 9-month FPE 30 September 2019, our Group recorded revenue of RM176.0 million, which represents an increase of RM50.4 million or 40.1% as compared to the preceding financial period of RM125.6 million. The increase in revenue was mainly due to higher average charter rate which increased by approximately 10% from the preceding financial period and higher vessel utilisation rate at 69% compared to 61% in the 9-month FPE 30 September 2018. The higher vessel utilisation rate was a result of improved work orders and contracts awarded from oil majors due to the strengthening demand for our vessels.

Our Group recorded gross profit of RM19.7 million for the 9-month FPE 30 September 2019, which represents an increase of RM16.0 million or 432.4% as compared to the preceding financial period of RM3.7 million. The gross profit recorded in the 9-month FPE 30 September 2019 was mainly due to higher revenue recorded as explained above.

Our other income for the 9-month FPE 30 September 2019 was RM15.7 million, which represents an increase of RM3.0 million or 23.6% as compared to the preceding financial period of RM12.7 million. The increase was mainly due to the recognition of a gain on bargain purchase of RM10.6 million arising from the acquisition of MSL by our wholly-owned subsidiary, PJJ, which was completed on 5 July 2019. However, it was partially offset by the unrealised loss on foreign exchange of RM0.8 million as compared to unrealised gain on foreign exchange of RM9.6 million in the preceding financial period due to the weakening of RM against other payables denominated in foreign currencies on reporting date.



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**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**

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Our administrative expenses for the 9-month FPE 30 September 2019 were RM12.3 million, which represent an increase of RM2.8 million or 29.5% as compared to the preceding financial period of RM9.5 million. The increase was mainly due to legal expenses of RM2.7 million in relation to an on-going indemnity suit as disclosed in Section 9 of Appendix II of this Abridged Prospectus.

Our other expenses for the 9-month FPE 30 September 2019 were RM2.1 million, which represent a decrease of RM11.4 million or 84.4% as compared to the preceding financial period of RM13.5 million. The decrease was mainly due to the absence of impairment loss on property, plant and equipment of RM12.9 million during the 9-month FPE 30 September 2019.

Our net finance cost for the 9-month FPE 30 September 2019 was RM39.8 million, which represents a decrease of RM0.8 million or 2.0% as compared to the preceding financial period of RM40.6 million. The slight decrease was mainly due to the decrease in interest rate of our borrowings due to the restructuring of 2 existing terms loans of our Group completed during the 9-month FPE 30 September 2019.

Our Group recorded a lower loss before taxation of RM18.7 million for the 9-month FPE 30 September 2019, which represents a decrease of RM28.5 million or 60.4% as compared to the preceding financial period of RM47.2 million. The decrease was mainly due to higher revenue recorded as well as lower other expenses incurred as explained above.

The cash and cash equivalents net of deposits pledged as security of our Group for the 9-month FPE 30 September 2019 stood at RM42.4 million, which represents an increase of RM24.4 million or 135.6% as compared to the preceding financial period of RM18.0 million. The higher cash and cash equivalents were mainly due to lower net cash used in financing activities by RM60.0 million as a result of lower repayment of bank borrowings arising from the CDRC standstill on principal repayments.

However, the movement was partially offset by the following:-

- a) lower net cash generated from operating activities by RM1.5 million mainly attributable to total accrued finance costs of RM5.6 million as at 30 September 2019 which are payable only upon completion of the restructuring of 2 term loans pursuant to our Group's debt restructuring exercise; and
- b) cash used in investing activities of RM8.5 million as compared to cash generated from investing activities of RM39.5 million in the preceding financial period due to withdrawal of fixed deposits pledged of RM3.0 million as compared to placement of fixed deposits pledged of RM44.2 million pursuant to the interest-earning sinking fund build-up requirement of the Sukuk Murabahah.

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**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**


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**6. HISTORICAL SHARE PRICES**

The monthly highest and lowest last transacted market prices of PPB Shares as traded on Bursa Securities for the 12 months from December 2018 to November 2019 are set out below:-

	<b>High RM</b>	<b>Low RM</b>
<b><u>2018</u></b>		
December	0.250	0.185
<b><u>2019</u></b>		
January	0.255	0.195
February	0.325	0.225
March	0.480	0.290
April	0.445	0.390
May	0.390	0.255
June	0.355	0.310
July	0.375	0.340
August	0.355	0.300
September	0.325	0.300
October	0.395	0.305
November	0.465	0.340
Last transacted market price on 16 May 2019 (being the last trading date prior to the announcement in relation to the Rights Issue of RCPS dated 17 May 2019) (RM)		0.335
Last transacted market price on the LPD (RM)		0.465
Last transacted market price on 4 December 2019 (being the last trading date prior to the ex-date for the Rights Issue of RCPS) (RM)		0.350

*(Source: Bloomberg Singapore L.P.)*

**7. OPTION TO SUBSCRIBE FOR PPB SHARES**

As at the LPD, save for the Provisional RCPS and Excess RCPS, no option to subscribe for PPB Shares has been granted or is entitled to be granted to any person.

**8. MATERIAL CONTRACT**

Save as disclosed below, neither our Company nor our subsidiary companies have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Abridged Prospectus:-

- i. Our Company's wholly-owned subsidiary, Perdana Jupiter Ltd had on 23 May 2019 entered into a Share Sale Agreement with NFC Shipping Fund C LLC to acquire 2,650,000 ordinary shares, representing the entire issued and paid-up share capital of Mount Santubong Ltd from NFC Shipping Fund C LLC for a total cash consideration of USD1.00. The acquisition has been completed on 5 July 2019.

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**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**

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**9. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group:-

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

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

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

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

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

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

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

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

- a) PPB's appeal was allowed with costs against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;
- b) PPB's appeal was dismissed with costs against Lee Mee Jiong; and

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**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**

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

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

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

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

However, on 8 November 2016, the Federal Court via a letter informed all the parties that the continued hearing scheduled on 16 November 2016 was converted to a case management and the new continued hearing date was fixed on 2 February 2017. On 2 February 2017, the Federal Court had heard all of the parties for the continued hearing and deferred the decision to a later date. On 14 December 2017, the Federal Court had unanimously allowed both of Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong's appeals (the "Appellants"), with costs in the amount of RM60,000 subject to 4% allocator for each appeal, to be paid by PPB to the Appellants. The Federal Court also held that the Court of Appeal's order dated 25 August 2015 to be set aside and that the High Court Judgement dated 21 March 2014 to be reinstated.

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

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

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

Subsequent to the final settlement of the suit, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Datin Che Nariza Hajjar Hashim, Wong Fook Heng and Tiong Young Kong ("Plaintiffs") filed a claim on 7 August 2018 for indemnification of legal fees they have incurred in defending the prior suits (and the appeals emanated therefrom) brought by PPB against them.

On 29 May 2019, the High Court has allowed the Plaintiff's claim against our 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 our Company to the Plaintiffs including the costs and the allocator fee is RM2,652,447.13. The said amount has been fully settled by our Company as at the LPD. On 27 June 2019, our Company has filed a notice of appeal to the Court of Appeal against the decision made by the High Court. Our Company's solicitors attended court on 13 August 2019 for case management and updated the court on the current progress of the appeal.

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**APPENDIX II – INFORMATION ON OUR COMPANY (CONT'D)**

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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 our Company has yet to obtain the grounds of judgment from the High Court and that our Company has issued several reminders to the High Court. Therefore, the Court of Appeal has adjourned the matter to 17 December 2019 for further re-review and for our Company to update the Court of Appeal on the availability of the said grounds of judgment.

Our solicitors are of the opinion that our Company has a good arguable chance to appeal in this case.

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## **APPENDIX III – ADDITIONAL INFORMATION**

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### **1. CONSENTS**

Our Principal Adviser, Company Secretary, Solicitors for the Rights Issue of RCPS, Share Registrar, Independent Adviser and Bloomberg Finance Singapore L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

### **2. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Level 15, Block 2, VSQ @ PJCC, Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- i. our Constitution;
- ii. letter of undertaking by the Undertaking Shareholder;
- iii. material contract of our Group as referred to in Section 8 of Appendix II of this Abridged Prospectus;
- iv. the relevant cause papers in relation to the material litigation of our Group as referred to in Section 9 of Appendix II of this Abridged Prospectus; and
- v. letters of consent as referred to in Section 1 of Appendix III of this Abridged Prospectus.

### **3. RESPONSIBILITY STATEMENT**

Our Board has seen and approved the Abridged Prospectus together with the accompanying NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

Kenanga IB, being the Principal Adviser for the Rights Issue of RCPS, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of RCPS.