

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting, MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements as at and for the year ended 31 December 2021.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the audited financial statements as at and for the year ended 31 December 2021 under the Malaysian Financial Reporting Standards (MFRS) framework.

A2 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors in the oil and gas industry.

A3 Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income or cash flows in the interim financial report for the period ended 30 September 2022.

A4 Change in Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect on the current interim financial period.

A5 Issues of Debt

There was no issuance of debt for the current financial period under review.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

A6 Dividends Declared or Paid

No dividend was declared or paid during the current financial quarter under review.

A7 Segmental Information

Segmental analysis for the current quarter is set out below:

Cumulative as at 30 September 2022	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	74,667	120,571	195,238
Segment results	5,338	12,387	17,725
Share of profit from joint venture			0
Finance cost			(4,850)
Profit before taxation			12,875
Taxation			(4,054)
Net profit from continuing operations			8,821
Net profit/(loss) from discontinued operations			-
Net profit for the year			8,821

Cumulative as at 30 September 2021	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	61,663	109,369	171,032
Segment results	3,468	9,036	12,504
Share of profit from joint venture			0
Finance cost			(2,953)
Profit before taxation			9,551
Taxation			(2,138)
Net profit from continuing operations			7,413
Net profit/(loss) from discontinued operations			-
Net profit for the year			7,413

A8 Events after the Interim Period

No material event was registered after the interim period which will materially affect the earnings or income of the Group.

A9 Changes in the Composition of the Group

Save as disclosed above, there were no significant changes in the composition of the Group in the interim financial report.

A10 Capital Commitment

No capital commitments were recorded in the current quarter under review.

A11 Related Party Transactions

The followings table provides the total amount of transactions which have been entered into with related parties during the year ended 30 September 2022 and 30 September 2021 as well as balances with related parties as of 30 September 2022 and 30 September 2021.

	Sales to related parties	Purchases from related parties	Amount owing by related parties	Amount owing to related parties
	RM'000	RM'000	RM'000	RM'000
2022	2,748	1,954	5,774	1,603
2021	10,540	4,670	5,923	1,659

A12 Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual statement of financial position date and there were no additional contingent liabilities reported in the current financial quarter ended 30 September 2022.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Current Quarter Against Preceding Quarter

For the current year quarter ended 30 September 2022, the Group recorded consolidated revenue of approximately RM80.30 million as compared to RM52.96 million recorded in the preceding quarter ended 30 June 2022. In the current quarter under review, the Group recorded a net profit after tax of RM3.31 million as compared to a net profit after tax of RM2.77 million recorded in the preceding quarter ended 30 June 2022.

Engineered Packages

The Group registered revenue of RM55.52 million in the current quarter as compared to RM38.60 million registered in the preceding quarter ended 30 June 2022, representing an increase of approximately 43.85%.

Products & Services

The products and services division registered revenue of RM24.78 million in the current quarter as compared to RM14.36 million registered in the preceding quarter ended 30 June 2022, representing a decrease of approximately 72.56%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 30 September 2022, the Group recorded consolidated revenue of approximately RM195.24 million as compared to RM171.03 million recorded in the corresponding period ended 30 September 2021, representing an increase of approximately 14.16%.

The Group registered an overall profit after tax of RM8.82 million for current period ended September 2022 as compared to net profit after tax of RM7.41 million in the preceding period ended 30 September 2021.

Engineered Packages

Revenue for the current period derived from the engineered packages division which consists of mainly gas generation packages and offshore equipment packages registered revenue of approximately RM120.57 million as compared to RM109.37 million registered in the preceding year period, representing an increase of approximately 10.24%.

Products & Services

The products and services division registered revenue of approximately RM74.67 million in the current period as compared to RM61.66 million registered in the preceding year period, representing an increase of approximately 21.10%.

B3 Current Year Prospects

Demand for oil & gas is expected to improve as the country is transitioning into endemic phase of COVID-19. The Group expects demand for its products and services will improve in line with the economic recovery. The Group's performance in 2022 is expected to remain resilient on the back of long-term contracts which ensure steady revenue streams.

The Board and Management is cautiously optimistic in the Group's ability to achieve satisfactory results for the financial year ending 31 December 2022 due to its resilient orderbook and continued performance in project execution and operations.

B4 Variance of Actual and Profit Estimates

The Group has not provided any profit forecasts and therefore no comparison is available.

B5 Taxation

	Individual Quarter		Cumulative Year	
	30/09/2022 RM'000	30/09/2021 RM'000	30/09/2022 RM'000	30/09/2021 RM'000
a. Income Tax Expenses	547	333	4,054	2,138
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	547	333	4,054	2,138

B6 Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the date of this report.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B7 Bank Borrowings

	30/09/2022	30/09/2021
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		

i) Hire purchase	2,597	2,339
ii) Term Loan / BA	170,497	131,176
Sub Total	173,094	133,515
a) <u>Secured long term borrowings</u>		
i) Hire purchase	3,156	13,101
ii) Term Loan	398,245	259,711
Sub Total	401,401	272,812
TOTAL BORROWINGS	574,495	406,327

B8 Material Litigation/ Special Notice

Save as previously announced, the Group is not engaged in any litigation, which has a material effect on the financial position of the Group, and the Directors are not aware of any proceedings pending or threatened or of any likely to give any proceedings which might materially and/or adversely affected the position or business of the Group.

B9 Dividend Declared or Paid

No dividend was declared or paid during the current quarter under review.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B10 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	3,313	2,847	8,821	7,413
Discontinued operations	-	-	-	-
	3,313	2,847	8,821	7,413
Basic				
Total number of ordinary shares ('000)	757,055	633,855	757,055	633,855
Adjusted weighted average number of ordinary shares ('000)	739,706	616,506	739,706	616,506
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.45	0.46	1.19	1.20
Discontinued operations	-	-	-	-
	0.45	0.46	1.19	1.20
Diluted				
Adjusted weighted average number of ordinary shares ('000)	739,706	616,506	739,706	616,506
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.45	0.46	1.19	1.20
Discontinued operations	-	-	-	-
	0.45	0.46	1.19	1.20

Certain diluted earnings/(losses) per ordinary share are not presented, as the computation would result in anti-dilutive earnings per ordinary share.

B11 Qualification of Financial Statements

There was no qualification made on the preceding audited financial statements for the financial year ended 31 December 2021.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK