

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2019

PERISAI PETROLEUM TEKNOLOGI BHD

Financial Year End 30 Jun 2020

Quarter 1 Qtr

Quarterly report for the financial period ended 30 Sep 2019

The figures have not been audited

Attachments

[Perisai-Quarterly Report Q1 30 Sep 2019.pdf](#)

75.1 kB

[Perisai-Notes to Accounts Q1 30 Sep 2019 Draft.pdf](#)

443.6 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2019

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	9,328	32,348	9,328	32,348
2	Profit/(loss) before tax	-39,008	-22,233	-39,008	-22,233
3	Profit/(loss) for the period	-39,042	-22,411	-39,042	-22,411
4	Profit/(loss) attributable to ordinary equity holders of the parent	-36,718	-19,881	-36,718	-19,881
5	Basic earnings/(loss) per share (Subunit)	-2.91	-1.58	-2.91	-1.58
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT		AS AT PRECEDING FINANCIAL	

		QUARTER	YEAR END
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	-0.5100	-0.4700

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	PERISAI PETROLEUM TEKNOLOGI BHD
Stock Name	PERISAI
Date Announced	28 Nov 2019
Category	Financial Results
Reference Number	FRA-26112019-00053

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
(Incorporated in Malaysia)
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019**

	Note	Individual Period			Cumulative Period		
		Current	Preceding	Changes	Current	Preceding	Changes
		Year	Year		Year	Year	
		Quarter	Corresponding	%	To Date	Corresponding	%
		30.9.2019	30.9.2018		30.9.2019	30.9.2018	
		RM'000	RM'000		RM'000	RM'000	
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Revenue	A8	9,328	32,348	(71)	9,328	32,348	(71)
Direct costs		(21,732)	(17,828)	(22)	(21,732)	(17,828)	(22)
Gross profit/(loss)		(12,404)	14,520	(185)	(12,404)	14,520	(185)
Other income		13,138	6,427	104	13,138	6,427	104
Administrative expenses		(3,548)	(5,033)	30	(3,548)	(5,033)	30
Other expenses		(1,154)	(2,012)	43	(1,154)	(2,012)	43
Impairment loss on:							
- trade receivables		-	(978)	100	-	(978)	100
- amount due from joint venture		(781)	(1,369)	43	(781)	(1,369)	43
Finance costs		(22,882)	(21,278)	(8)	(22,882)	(21,278)	(8)
Share of results of associates, net of tax		(13)	16	(181)	(13)	16	(181)
Share of results of joint ventures, net of tax		(11,364)	(12,526)	9	(11,364)	(12,526)	9
Loss before tax	B1	(39,008)	(22,233)	(75)	(39,008)	(22,233)	(75)
Income tax expense	B5	(34)	(178)	81	(34)	(178)	81
Loss for the period		(39,042)	(22,411)	(74)	(39,042)	(22,411)	(74)
Loss attributable to:							
Owners of the Company		(36,718)	(19,881)	(85)	(36,718)	(19,881)	(85)
Non-controlling interests		(2,324)	(2,530)	8	(2,324)	(2,530)	8
		(39,042)	(22,411)	(74)	(39,042)	(22,411)	(74)
Loss per share ("LPS")							
attributable to owners of the							
Company (sen per share)		Sen	Sen		Sen	Sen	
- Basic	B10(a)	(2.91)	(1.58)		(2.91)	(1.58)	

The unaudited consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD**(Company No.: 632811-X)****(Incorporated in Malaysia)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019**

	Individual Period			Cumulative Period		
	Current	Preceding Year	Changes	Current	Preceding Year	Changes
	Year Quarter	Corresponding Quarter		Year To Date	Corresponding Period	
	30.9.2019	30.9.2018	%	30.9.2019	30.9.2018	%
	RM'000	RM'000		RM'000	RM'000	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Loss for the period	(39,042)	(22,411)	(74)	(39,042)	(22,411)	(74)
<i>Items that may subsequently be classified to profit or loss:</i>						
Foreign currency translation differences arising during the financial period	(7,380)	(8,494)	13	(7,380)	(8,494)	13
Reclassified of foreign currency translation reserve to profit or loss on repayment of intercompany balances	117	140	(16)	117	140	(16)
Total comprehensive loss	(46,305)	(30,765)	(51)	(46,305)	(30,765)	(51)
Attributable to:						
Owners of the Company	(45,175)	(30,615)	(48)	(45,175)	(30,615)	(48)
Non-controlling interests	(1,130)	(150)	(653)	(1,130)	(150)	(653)
	(46,305)	(30,765)	(51)	(46,305)	(30,765)	(51)

The unaudited consolidated comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

		As At End Of Current Quarter 30.9.2019 RM'000 (Unaudited)	As At End Of Previous Financial Year 30.6.2019 RM'000 (Audited)
	Note		
Non-current assets			
Plant and equipment	A9	639,605	620,245
Intangible assets		75	75
Investment in associates		1,284	1,280
Investment in joint ventures		238,909	246,964
		<u>879,873</u>	<u>868,564</u>
Current assets			
Trade receivables		21,842	18,003
Other receivables, deposits and prepayment		3,792	3,933
Tax recoverable		384	174
Cash and bank balances		17,653	39,206
		<u>43,671</u>	<u>61,316</u>
TOTAL ASSETS		<u>923,544</u>	<u>929,880</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		770,888	770,888
Treasury shares		(231)	(231)
Accumulated losses		(1,673,419)	(1,636,701)
Other reserves		264,046	272,504
		<u>(638,716)</u>	<u>(593,540)</u>
Non-controlling interests		87,520	88,649
Capital deficiencies		<u>(551,196)</u>	<u>(504,891)</u>
Non-current liabilities			
Other payables		10,265	10,127
		<u>10,265</u>	<u>10,127</u>
Current liabilities			
Trade payables		19,511	13,725
Other payables and accruals		210,405	185,277
Loans and borrowings	B7	1,234,552	1,225,582
Tax payable		7	60
		<u>1,464,475</u>	<u>1,424,644</u>
Total liabilities		1,474,740	1,434,771
TOTAL EQUITY AND LIABILITIES		<u>923,544</u>	<u>929,880</u>
Net liabilities per share attributable to owners of the parent (RM)		(0.51)	(0.47)

The unaudited consolidated financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

Note	<-----Attributable to Equity Holders of the Company-----					Non-controlling	Total
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000	Sub-total RM'000	Interest RM'000	equity RM'000
At 1.7.2018 (Audited)	770,888	(231)	282,787	(1,410,269)	(356,825)	98,243	(258,582)
Comprehensive income/(loss)							
Loss for the financial period	-	-	-	(19,881)	(19,881)	(2,530)	(22,411)
Other comprehensive income/(loss)							
Foreign currency translation differences	-	-	(10,734)	-	(10,734)	2,380	(8,354)
Total comprehensive loss for the period	-	-	(10,734)	(19,881)	(30,615)	(150)	(30,765)
At 30.9.2018 (Unaudited)	770,888	(231)	272,053	(1,430,150)	(387,440)	98,093	(289,347)
At 1.7.2019 (Audited)	770,888	(231)	272,504	(1,636,701)	(593,540)	88,649	(504,891)
Comprehensive income/(loss)							
Loss for the financial period	-	-	-	(36,718)	(36,718)	(2,324)	(39,042)
Other comprehensive income/(loss)							
Foreign currency translation differences	-	-	(8,458)	-	(8,458)	1,195	(7,263)
Total comprehensive loss for the period	-	-	(8,458)	(36,718)	(45,176)	(1,129)	(46,305)
At 30.9.2019 (Unaudited)	770,888	(231)	264,046	(1,673,419)	(638,716)	87,520	(551,196)

The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	3 Months Ended	
	30.9.2019	30.9.2018
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Loss before taxation	(39,008)	(22,233)
Adjustment for :		
Depreciation of plant and equipment	8,584	9,214
Provision for impairment on trade receivables	-	978
Provision for impairment on other receivables	159	167
Reversal of impairment on trade receivable	(70)	-
Provision for impairment on amount due from joint venture	781	1,369
Net unrealised (gain)/loss on foreign exchange	(12,830)	(5,978)
Share of results of associates	13	(16)
Share of results of joint ventures	11,364	12,526
Interest expense	22,882	21,278
Interest income	(60)	(316)
Operating (loss)/profit before working capital changes	(8,185)	16,989
Changes in working capital:		
Change in receivables	(959)	8,524
Change in payables	5,540	(504)
Cash (used in)/generated from operating activities	(3,604)	25,009
Interest paid	(940)	(8,220)
Interest received	60	156
Tax paid	(177)	(222)
Tax refund	66	231
Net cash (used in)/generated from operating activities	(4,595)	16,954
Cash flow from investing activities		
Purchase of plant and equipment	(19,450)	-
Net advances (to)/from joint ventures	(3)	(7)
Net cash from/(used) in investing activities	(19,453)	(7)
Cash flow from financing activities		
Drawdown of loans and borrowings	392	343
Repayment of loans and borrowings	-	(4,908)
Net cash from/(used) from financing activities	392	(4,565)
Net increase/(decrease) in cash and cash equivalents during the period	(23,656)	12,382
Effect of exchange rate changes	2,000	1,488
	(21,656)	13,870
Cash and cash equivalents at beginning of year	33,265	23,015
Cash and cash equivalents at end of period *	11,609	36,885
* Cash and cash equivalents comprise :		
Deposit	810	700
Cash and bank balances	16,843	41,556
Bank overdraft	(6,044)	(5,371)
	11,609	36,885

The condensed unaudited consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes.

NOTES TO THE ACCOUNTS

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD ("MFRS") 134**

1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Perisai Petroleum Teknologi Bhd ("Perisai" or the "Company") and its subsidiaries ("Group") since the financial year ended 30 June 2019.

2. Changes In Accounting Policies

- a) The Group adopted the following Amendments/Improvements to MFRS and IC Interpretation effective as of 1 January 2019:-

MFRS 16	: Leases
Amendments to MFRS 9	: Prepayment Features with Negative Compensation
Amendments to MFRS 119	: Plan Amendment, Curtailment of Settlement
Amendments to MFRS 128	: Long Term Interests in Associates and Joint ventures
IC Interpretation 23	: Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle	

The adoption of the above amendments/improvements to MFRS and IC Interpretation does not have any material impact to the Group.

- b) At the date of this Condensed Report, the following Standards that have been issued but not yet effective and have not been adopted by the Group:

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	: Share-based Payment
Amendments to MFRS 3	: Business Combinations
Amendments to MFRS 101	: Presentation of financial Statements
Amendments to MFRS 108	: Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	: Interim financial Reporting
Amendments to MFRS 137	: Provision, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	: Intangible Assets

The Group will adopt the above new MFRS and Amendments/Improvements to MFRSs when it becomes effective in the respective financial periods.

3. Seasonal Or Cyclical Factors

The Group's operations are not materially subject to any seasonal or cyclical factors except for severe weather conditions and significant changes in oil prices.

4. Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current quarter ended 30 September 2019.

5. Changes In Estimates

There were no significant changes in estimates that had a material effect on the results for the financial period ended 30 September 2019.

6. Debts And Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period ended 30 September 2019.

As at 30 September 2019, 400,000 shares were held as treasury shares in accordance with the requirements of section 127 of the Companies Act 2016.

7. Dividends Paid

There were no dividends paid during the financial period ended 30 September 2019.

PERISAI PETROLEUM TEKNOLOGI BHD (632811-X)
(Incorporated in Malaysia)

8. Segmental Information

	Drilling Units		Production Units		Marine Vessels		Others		Elimination		As per Consolidation	
	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results for the Quarter												
Revenue												
External revenue	9,328	31,370	-	-	-	978	-	-	-	-	9,328	32,348
Inter-segment revenue	-	-	-	-	-	-	412	414	(412)	(414)	-	-
Total segment revenue	9,328	31,370	-	-	-	978	412	414	(412)	(414)	9,328	32,348
Results												
Operating results	(15,525)	11,425	55	(1,363)	(2,470)	(2,099)	13,912	5,783	-	-	(4,028)	13,746
Interest expense	(8,100)	(7,781)	(1,321)	(1,496)	(2,354)	(1,915)	(11,107)	(10,086)	-	-	(22,882)	(21,278)
Interest income	53	148	-	-	-	-	7	8	-	-	60	156
Impairment loss on:												
-Amount due from joint ventures	-	-	-	-	-	-	(781)	(1,369)	-	-	(781)	(1,369)
-Trade receivables	-	-	-	-	-	(978)	-	-	-	-	-	(978)
-Share of results of associates	-	-	-	-	-	-	(13)	16	-	-	(13)	16
-Share of results of joint ventures	-	-	-	-	-	-	(11,364)	(12,526)	-	-	(11,364)	(12,526)
Segment results	(23,572)	3,792	(1,266)	(2,859)	(4,824)	(4,992)	(9,346)	(18,174)	-	-	(39,008)	(22,233)
Tax expense											(34)	(178)
Loss for financial period											(39,042)	(22,411)

PERISAI PETROLEUM TEKNOLOGI BHD (632811-X)
(Incorporated in Malaysia)

8. Segmental Information (continued)

	Drilling Units		Production Units		Marine Vessels		Others		Elimination		As per Consolidation	
	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18	30.9.19	30.9.18
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results for year-to-date												
Revenue												
External revenue	9,328	31,370	-	-	-	978	-	-	-	-	9,328	32,348
Inter-segment revenue	-	-	-	-	-	-	412	414	(412)	(414)	-	-
Total segment revenue	9,328	31,370	-	-	-	978	412	414	(412)	(414)	9,328	32,348
Results												
Operating results	(15,525)	11,425	55	(1,363)	(2,470)	(2,099)	13,912	5,783	-	-	(4,028)	13,746
Interest expense	(8,100)	(7,781)	(1,321)	(1,496)	(2,354)	(1,915)	(11,107)	(10,086)	-	-	(22,882)	(21,278)
Interest income	53	148	-	-	-	-	7	8	-	-	60	156
Impairment loss on:												
-Amount due from joint ventures	-	-	-	-	-	-	(781)	(1,369)	-	-	(781)	(1,369)
-Trade receivables	-	-	-	-	-	(978)	-	-	-	-	-	(978)
-Share of results of associates	-	-	-	-	-	-	(13)	16	-	-	(13)	16
-Share of results of joint ventures	-	-	-	-	-	-	(11,364)	(12,526)	-	-	(11,364)	(12,526)
Segment results	(23,572)	3,792	(1,266)	(2,859)	(4,824)	(4,992)	(9,346)	(18,174)	-	-	(39,008)	(22,233)
Tax expense											(34)	(178)
Loss for financial period											(39,042)	(22,411)

9. Valuation Of Property, Plant and Equipment

The Group did not revalue any plant and equipment during the financial period ended 30 September 2019. As at 30 September 2019, all property, plant and equipment were stated at cost less accumulated depreciation and provision for impairment.

10. Subsequent Events

There has been no material event or transaction during the financial period from 30 September 2019 to the date of this announcement, which affects substantially the results of the Group for the financial period ended 30 September 2019.

11. Changes In Composition Of The Group

There were no changes to the composition of the Group during the financial period ended 30 September 2019.

12. Changes In Contingent Liabilities

Save as disclosed below, the Directors are not aware of any material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group during the financial period ended 30 September 2019.

Corporate Guarantee of RM245.4 million issued by the Company for banking facilities granted to its joint ventures.

13. Material Commitments

The Group is not aware of any material commitments incurred or known to be incurred by the Group which upon becoming enforceable may have a material impact on the profit or net asset value of the Group as at 30 September 2019.

14. Significant Related Party Transactions

Save as disclosed below, there were no significant related party transactions during the quarter and financial period ended 30 September 2019.

The recurrent related party transactions with the Group and the Company are as follows:-

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019 RM'000	30.9.2018 RM'000	30.9.2019 RM'000	30.9.2018 RM'000
<u>Revenue</u>				
Bareboat charter of vessels to Emas Offshore (M) Sdn. Bhd.*	-	978	-	978
<u>Expenses</u>				
Agency fee charged by Larizz Petroleum Services Sdn. Bhd.#	45	45	45	45
Agency fee charged by Larizz Energy Services Sdn. Bhd.#	-	45	-	45
Agency fee charged by Perisai Offshore Sdn. Bhd.#	28	28	28	28

*The transactions above involve Emas Offshore (M) Sdn Bhd which are indirect wholly-owned subsidiary of EMAS Offshore Limited ("EMAS Offshore"). EMAS Offshore and HCM Logistics Limited ("HCM") are major shareholders of Perisai. EMAS Offshore is a 75.46% subsidiary of Ezra Holding Limited ("Ezra") whereas HCM is a wholly-owned subsidiary of Ezra.

#Agency fees charged by Larizz Petroleum Services Sdn Bhd ("LPSSB"), Larizz Energy Services Sdn Bhd ("LESSB") and Perisai Offshore Sdn Bhd ("POSB") is a recurrent related party transaction as Datuk Zainol Izzet Bin Mohamed Ishak ("Datuk Izzet") is a substantial shareholder of LPSSB, LESSB and POSB. Datuk Izzet holds 60% equity interest in LPSSB, 49% equity interest in LESSB and POSB. He is also a director of Perisai and holds 2.34% equity interest in Perisai.

The resolution for the Proposed Renewal of Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the period from 30 November 2018 to 29 November 2019 was not carried during the Annual General Meeting held on 29 November 2018. The above recurrent related party transactions were recognised only up to 29 November 2018 instead of up to 31 December 2018 based on the previous approved mandate save for agency fee charged by Larizz Petroleum Service Sdn Bhd and Perisai Offshore Sdn Bhd which were recognised up to 29 November 2018 and subsequently a new agency agreement were entered effective from 1 January 2019.

15. Fair Value Measurements

The Group uses the following hierarchy for determining the fair value of the financial instruments carried at fair value:

- a. Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c. Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR

1. Performance Review

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	30.9.2019 RM'000	30.9.2018 RM'000		30.9.2019 RM'000	30.9.2018 RM'000	
Revenue	9,328	32,348	(71)	9,328	32,348	(71)
Loss before taxation	(39,008)	(22,233)	(75)	(39,008)	(22,233)	(75)
Loss after taxation	(39,042)	(22,411)	(74)	(39,042)	(22,411)	(74)
Loss attributable to owner of the Company	(36,718)	(19,881)	(85)	(36,718)	(19,881)	(85)

Statement of Profit or Loss and Other Comprehensive Income

Financial Quarter ended 30 September 2019

For the current quarter and period ended 30 September 2019, the Group generated total revenue of RM9.33 million as compared to RM32.35 million generated in the corresponding quarter and period ended 30 September 2018. The decrease of RM23.02 million was mainly due to the expiry of the previous charter contract in May 2019 and revenue stream from the new contract only commenced in September 2019.

Loss before tax ("LBT") for the current quarter and period ended 30 September 2019 amounted to RM39.01 million, an increase of RM16.78 million when compared to the LBT amount of RM22.23 million recorded in the corresponding quarter and period ended 30 September 2018.

The higher LBT recorded was mainly due to lower revenue generated as mentioned in immediate paragraph above despite the higher net forex exchange gain as reflected in other income.

Statement of Financial Position

The increase in capital deficiency from RM504.9 million as at 30 June 2019 to RM551.2 million as at 30 September 2019 was mainly due to loss incurred for the current financial quarter ended 30 September 2019 and lower foreign translation reserve as a result of weakening of Ringgit Malaysia on net liabilities of certain subsidiaries.

The capital deficiencies will be dealt with as part of the regularisation plan of the Company.

Total borrowings of the Group increased to RM1,234.6 million as at 30 September 2019 against RM1,225.6 million as at 30 June 2019 mainly due to the unfavorable conversion exchange rate.

Statement of Cash Flows

The net cash outflow from operations of RM4.60 million for the 3 months ended 30 September 2019 as compared to net cash inflow from operations of RM16.96 million for the corresponding period ended 30 September 2018. The decrease was mainly due to lower revenue generated as the commencement of the new charter contract for PP101 jack up rig in September 2019 after the expiry of the previous charter contract in May 2019.

The net cash outflow from investing activities increased to RM19.45 million from cash utilisation of RM0.01 million for the corresponding period mainly due to the purchase of plant and equipment in relation to the compulsory special periodic survey of the rig.

The net cash inflow in financing activities increased to RM0.39 million from the cash utilisation of RM4.57 million for the corresponding period mainly due to drawdown of loan and no repayment of borrowings in current quarter and period ended 30 September 2019.

Overall, the cash and cash equivalents decreased by RM21.66 million as compared with opening balance cash and cash equivalent as at 1 July 2019. The cash and cash equivalents of the Group was RM11.61 million as at 30 September 2019.

Segmental Analysis

Drilling unit

Financial Quarter ended 30 September 2019

For the current quarter ended 30 September 2019, the Drilling Unit generated a total revenue of RM9.33 million, a decrease of RM22.04 million when compared to RM31.37 million in the corresponding quarter and period ended 30 September 2018.

The decrease in revenue was mainly due to there being no revenue generated in July 2019 and August 2019 after the expiry of charter contract of PP101 jack up rig in May 2019 and the commencement the new charter contract for PP101 jack up rig was in September 2019.

LBT for the current quarter and period ended 30 September 2019 amounted to RM23.57 million as compared to the Profit Before Tax ("PBT") amount of RM3.79 million in the corresponding quarter and period ended 30 September 2018.

The increase in LBT of RM27.36 million was mainly due to lower revenue generated as mentioned in the paragraph above.

Production unit

Financial Quarter ended 30 September 2019

Rubicone, the mobile offshore production unit was disposed of in June 2019 and there was no revenue being generated for the current quarter and period ended 30 September 2019.

LBT for the current quarter and period ended 30 September 2019 amounted to RM1.27 million, an improvement of RM1.59 million as compared to RM2.86 million in the corresponding quarter and period ended 30 September 2018.

The improvement was mainly due to no direct cost incurred after the disposal of Rubicone.

Marine Vessels

Financial Quarter ended 30 September 2019

For the current quarter and period ended 30 September 2019, the Marine Vessels did not recognise any revenue as compared to the amount of RM0.98 million in the corresponding quarter and period ended 30 September 2018.

The decrease in revenue was mainly due to revenue being recognised only up to 29 November 2018 as a result of the resolution for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the period from 30 November 2018 to 29 November 2019 was not carried during the Annual General Meeting held on 29 November 2018. In addition, the only existing charter contract was terminated on 19 September 2019.

LBT for the current quarter and period ended 30 September 2019 amounted to RM4.82 million, a decrease of RM0.17 million when compared to the LBT amount of RM4.99 million in the corresponding quarter and period ended 30 September 2018.

The higher LBT was mainly due to there being no revenue generated as mentioned in the immediate paragraph and higher finance cost despite the lower impairment loss on plant and equipment.

Results of Joint Ventures

Financial Quarter ended 30 September 2019

For the current quarter and period ended 30 September 2019, the share of loss in joint ventures was RM11.36 million as compared to a loss of RM12.53 million in the corresponding quarter and period ended 30 September 2018.

The lower share of loss was mainly due to lower depreciation resulted from the impairment on the plant and equipment in financial year ended 30 June 2019 despite higher finance cost as compared to the corresponding quarter and period ended 30 September 2018.

2. Material Change in Profit Before Tax (“PBT”) In Comparison to the Preceding Quarter

	Current Quarter	Preceding Quarter	
	30.9.2019 RM’000	30.6.2019 RM’000	Changes (%)
Revenue	9,328	19,873	(53)
Profit/(Loss) before taxation	(39,008)	(163,110)	(76)
Profit/(Loss) after taxation	(39,042)	(163,232)	(76)
Profit/(Loss) attributable to owner of the Company	(36,718)	(158,817)	(77)

For the current quarter ended 30 September 2019, the Group recorded a LBT of approximately RM39.01 million against a LBT of RM163.11 million in the preceding quarter.

The lower LBT in the current quarter was mainly due to there being no impairment loss on plant and equipment at both the consolidated and the joint ventures level despite lower revenue generated in the current quarter ended 30 September 2019.

3. Future Prospects

The outlook for the demand for the oil and gas assets in the short to medium term has improved but still remains challenging currently. The Group will remain cautious on its capital and cost management.

PP101, the jack up drilling rig has just commenced its operations in September 2019 and will continue to carry its obligation during the duration of its new contract until second quarter of 2020.

In the meantime, the Group is pursuing various opportunities for its other asset i.e. FPSO Perisai Kamelia.

As disclosed in Note 6 (A) below, the Company had on 11 January 2019 received a suspension and delisting notice from Bursa Securities wherein Bursa Securities vide their letter dated 11 January 2019 has rejected the Proposed Regularisation Plan.

On 8 February 2019, the Company has submitted an appeal to Bursa Securities on its decision to reject the Company’s Proposed Regularisation Plan.

On 5 April 2019, Bursa Securities has vide its letter dated on the same day, stated that after due deliberation and having considered all facts and circumstances of the matter including the Company’s written and oral representations, the Listing Committee (“LC”) had decided to dismiss the Company’s appeal against the rejection by Bursa Securities of the Company’s Proposed Regularisation Plan (“Appeal on Regularisation Plan”). Notwithstanding the above decision, the LC decided to grant Perisai an extension of time until 31 December 2019 to submit a new regularisation plan to the relevant authorities for approval.

In the event Perisai fails to submit a new regularisation plan by 31 December 2019, Perisai shares will be delisted from Bursa Securities. Although Perisai will be an unlisted entity, the company and its group of companies still continue to exist and business operations are still on-going. The company is also still able to proceed with its corporate restructuring.

Hence, in recognizing this possibility, Perisai together with our advisers have been exploring other alternatives to understand available risk mitigating measures to the company. We will endeavour to achieve the most viable and optimum solution, taking into consideration the interests of all stakeholders.

On 9 August 2019, the Company obtained a Restraining Order under Section 368 of the Companies Act, 2016 from the High Court of Malaya at Kuala Lumpur for a period of nine (9) months effective from 9 August 2019 restraining all proceedings and actions to be brought against the Company.

4. Profit Forecast and Profit Guarantee

The Group did not announce or disclose any profit forecast or profit guarantee in any public documents for the financial period ended 30 September 2019.

5. Income Tax Expense

	Individual Period			Cumulative Period		
	Current Year Quarter 30.9.2019 RM'000	Preceding Year Corresponding Quarter 30.9.2018 RM'000	Changes %	Current Year To Date 30.9.2019 RM'000	Preceding Year Corresponding Period 30.9.2018 RM'000	Changes %
Based on result for the year - Current year provision	(34)	(178)	81	(34)	(178)	81
	(34)	(178)	81	(34)	(178)	81

The effective tax rate for the current quarter and financial period ended 30 September 2019 was lower than the statutory tax rate arising mainly from certain subsidiaries being subject to lower tax rates under the Labuan Business Activity Tax Act, 1990.

6. Corporate Proposal

Save as disclosed below, there were no corporate proposals announced but not completed as at the reporting date.

- A) On 1 August 2018, the company announced that the application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities for approval on 1 August 2018.

On 11 January 2019, the Company has received a suspension and de-listing notice from Bursa Securities wherein Bursa Securities vide their letter dated 11 January 2019 rejected the proposed regularisation plan.

In the circumstances and pursuant to Paragraph 8.04(5) of the Main Market Listing Requirements:

- (a) the trading in the securities of the Company will be suspended with effect from 22 January 2019; and

- (b) the securities of the Company will be de-listed on 13 February 2019 unless an appeal against the rejection of the regularisation plan and de-listing is submitted to Bursa Securities on or before 10 February 2019 (“the Appeal Timeframe”). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the removal of the securities of the Company from the Official List of Bursa Securities on 13 February 2019 shall be deferred pending the decision on the Company’s appeal.

On 8 February 2019, the Company has submitted an appeal to Bursa Securities on its decision to reject the Company’s Proposed Regularisation Plan.

On 5 April 2019, Bursa Securities has vide its letter dated on the same day stated that after due deliberation and having considered all facts and circumstances of the matter including the Company’s written and oral representations, the Listing Committee (“LC”) had decided to dismiss the Company’s appeal against the rejection by Bursa Securities of the Company’s Proposed Regularisation Plan (“Appeal on Regularisation Plan”).

In arriving at the aforesaid decision to dismiss the Appeal on Regularisation Plan, the LC affirmed similar factors as set out in Bursa Securities’ letter dated 11 January 2019 and had considered, amongst others, the following factors: -

1. as part of the Proposed Regularisation Plan, Perisai was relying on its existing two core business segments, i.e. offshore drilling and offshore production (operating the PP101 rig and the FPSO Perisai Kamilia) to turnaround the Company’s financial condition. The FPSO had not been chartered since the end of May 2017 and the charter for PP101 rig is due to expire in May 2019; and
2. the Company and the Principal Adviser have not been able to demonstrate to the satisfaction of Bursa Securities the ability of the Company to comply with paragraphs 5.2(c) and 5.5(d) of Practice Note 17 (“PN17”) i.e. the ability of Perisai and its subsidiaries to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the Proposed Regularisation Plan.

Notwithstanding the above decision to dismiss the Appeal on Regularisation Plan, the LC after due consideration of all facts and circumstances of the matter including the written and oral representations of the parties and in particular, the Company’s representations on the following: -

1. the recovery/improving prospects of the global oil and gas (“O&G”) industry wherein the O&G activities in Malaysia were expected to increase over the next 3 years and PETRONAS’ Activity Outlook report for 2019-2021 has forecasted a significant increase in demand for jack-up rigs in 2019 as compared to its earlier forecast in the previous outlook report;
2. the specific nature of the O&G upstream related businesses and industry, in particular the requirements for and highly capital-intensive nature of jack-up rigs and FPSOs;
3. Perisai is one of the only two Malaysian jack-up drilling companies and it has one of the few gas FPSO in the region ready to be chartered;
4. the Company had identified and was in the midst of negotiations with prospective charters for the FPSO and the decision of the contract award was expected within 4th quarter of 2019; and
5. the Company had secured the approval of 88% of the scheme creditors for the proposed scheme of arrangement and the scheme creditors remained bound by the terms of the agreement.

The LC decided to grant Perisai an extension of time until 31 December 2019 to submit a new regularisation plan to the relevant authorities for approval (“the Extended Timeframe”).

The LC further decided to de-list the securities of Perisai from the Official List of Bursa Securities pursuant to paragraph 8.04 of the Main LR in the event: -

- a) the Company fails to submit the regularisation plan to the relevant authorities for approval within the Extended Timeframe i.e. on or before 31 December 2019;
- b) the Company fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe (or extended timeframe, as the case may be) prescribed to lodge an appeals;
- c) the Company does not succeed in its appeal; or
- d) the Company fails to implement its regularisation plan within the timeframe or extended timeframes stipulated by the relevant authorities.

Upon occurrence of any of the events set out in paragraph (1) to (4) above, the securities of the Company shall be removed from the Official List of Bursa Securities upon the expiry of 2 market days from the date the Company is notified by Bursa Securities or on such other date as may be specified by Bursa Securities.

- B) On 15 May 2019, the Company announced the updates on the Bilateral Settlement Agreement as follows:

A Scheme of Arrangement pursuant to Section 366 of the Companies Act 2016 was approved by PPTB scheme creditors on 8 June 2018, as part of its proposed debt resolution. As disclosed under the PPTB Scheme, each of the operating subsidiaries and their respective financial institution creditors ("FI Creditors") are to enter into separate Bilateral Settlements (PPTB Operating Subsidiaries) to restructure or settle their respective individual debts as at 30.6.2017 on terms as set out in each respective Bilateral Settlement agreement. These Bilateral Settlements (PPTB Operating Subsidiaries) are to be entered into by the following:-

1. Garuda Energy and OCBC Malaysia;
2. Intan Offshore and DBS-SG;
3. Perisai Pacific 101 and OCBC Singapore/OCBC Labuan; and
4. EVLB, OCBC Singapore and RHB Labuan.

Further to the above, a Bilateral Settlement Agreement between Garuda Energy and OCBC Malaysia was executed on 6 May 2019 and as provided for in the Bilateral Settlement Agreement, part of Garuda's debt owing to OCBC Malaysia shall be set-off against the mobile offshore production unit ("MOPU") owned by Garuda secured by the various Mortgage Agreements and OCBC Malaysia is at liberty, at any time, to exercise the power of sale pursuant to the Mortgage Agreement.

Garuda is the registered owner of the MOPU and had, pursuant to the Mortgage Agreements charged the MOPU to OCBC Malaysia as security for financing facilities granted by OCBC Malaysia to Garuda pursuant to two Facility Agreements both dated 29 March 2012.

Accordingly, OCBC Malaysia is now exercising its' mortgage to dispose of the MOPU and has entered into a Memorandum of Agreement with a buyer for the purpose of such disposal.

Salient terms of the Bilateral Settlement Agreement are as follows:-

- 1.1 On or after 1.9.2017, Garuda Energy and OCBC Malaysia shall jointly appoint an independent valuer to value the Charged Asset of Garuda Energy on the basis of fair market value.
- 1.2 The debt outstanding as at Cut-Off Date, shall be compromised and deemed as fully settled on the following terms:
 - 1.2.1 the MOPU shall be deemed disposed and the value ascertained to para 1.1 above shall be credited against the debt outstanding in accordance with para 1.2.2 below;
 - 1.2.2 OCBC Malaysia's outstanding debt to be compromised shall be the debt outstanding as at the Cut-Off Date less (i) penalty interest, (ii) value of the

Charged Asset under para 1.1 above, (iii) value of the allotment of PPTB New Ordinary Shares by PPTB and accepted by OCBC Malaysia, and plus (iv) interest capitalised from 1.7.2017 up to Lodgement Date;

1.2.3 the balance outstanding after para 1.2.2 shall be assigned by OCBC Malaysia to PPTB in consideration of ICULS to be received by Garuda Energy to the value of the lower of the said balance outstanding or the total of such ICULS received by Garuda, as the case may be. The delivery of the said ICULS to OCBC Malaysia shall be deemed to be in full and final settlement of Garuda Energy's debt to OCBC Malaysia;

1.2.4 prior to the Implementation Date, PPTB shall allocate the ICULS at par value to settle the outstanding balance as set out in para 1.2.2 above; and

2. On Implementation Date, all penalty interest shall be waived and there shall be clawback of any penalty interest paid from the Cut-Off Date up to Lodgement Date. Any clawback of penalty interest shall be first applied to repay any outstanding balance prior to the issuance of ICULS. The abovementioned settlement in paras 1.2.2 and 1.2.3 shall be deemed to be in full and final settlement.

3. OCBC Malaysia is at liberty to exercise its mortgage to dispose the MOPU as set out in para 1.2.1 above.

PPTB's guarantee to OCBC Malaysia shall be released and discharged on Lodgement Date.

The disposal of MOPU is consistent with the Company's plans to streamline its business plan and dispose non-core assets. This is also in line with the Proposed Regularization Plan and PPTB Scheme, which has been approved by the PPTB Scheme Creditors. The Proposed Regularization Plan shall be submitted for Bursa's approval by 31 December 2019.

C) On 23 December 2016, the Company had entered into a Settlement Agreement with EMAS Offshore Limited ("EOL") ("Proposed Settlement Agreement") to achieve a full and final settlement of the disputes, differences, claims, and counterclaims against each other arising from or in connection with the Share Sale Agreement Dated 23 December 2013 ("SSA") and Put Option.

On 21 April 2017, Perisai and EOL have mutually agreed to extend first of their 4 Long Stop extension periods to 23 May 2017.

On 24 May 2017, Perisai and EOL have mutually agreed to extend the Long Stop Period to 23 June 2017.

On 17 August 2017, it was announced that Perisai had on 14 August 2017 requested for a confirmation from EOL on the status of the Conditions Precedents to be fulfilled by EOL. EOL had on 15 August 2017 confirmed that EOL has not received any representation from OCBC which would allow EOL to conclude whether or not the Conditions Precedents would be satisfied. EOL further confirmed that the Long Stop Period be extended only up to 23 July 2017. As the Long Stop Period has since lapsed, the Proposed Settlement Agreement became ineffective.

Pursuant to the terms of the Proposed Settlement Agreement and the lapse of the Proposed Settlement Agreement, the put option granted by EOL to Perisai pursuant to the SSA is revived accordingly. This gives Perisai the right to sell its 51% equity interest in SJR Marine to EOL. Perisai had earlier served the Put Option notice to EOL on 8 December 2016. Following the lapse of the Proposed Settlement Agreement, Perisai is pursuing to complete the Put Option, which shall take place 30 days from 17 August 2017 in accordance with the terms of the Put Option notice served on EOL earlier.

Based on the above, the Proposed Settlement Agreement detailed in the announcement on 23 December 2016 has been aborted.

On 27 September 2017, EOL had written to Perisai stating that due to the lapse of the Settlement Agreement, Perisai is required to comply with the Shareholders' Agreement dated 26 December 2013, which was terminated by EOL's notice dated 8 December 2016 ("Termination Notice"), and Perisai is obliged to complete the sale of the 51% shares in SJR Marine to EOL at the stated price of USD1.00.

EOL claims that it had effected payment of USD1.00 to Perisai and is awaiting for Perisai's completion documents to be delivered to them.

Perisai had already disputed the Termination Notice by its letter to EOL dated 8 December 2016 and maintains that the alleged termination is invalid and ineffective.

The Company will make such further announcement on the development on the above matter as and when necessary.

Although strictly in accordance with the accounting standards SJR Marine remains to be recognised as a joint venture of PPTB, PPTB maintains that in exercising the Put Option, SJR Marine's shares have been properly delivered to PPTB's legal counsel.

On 15 January 2018, Perisai Production Holdings Sdn Bhd ("PPHSB"), a wholly-owned subsidiary of Perisai has written to the Company Secretary of EMAS Victoria (L) Bhd ("EVLB") to serve a notice that a termination event (details of which are as set out in the ensuing paragraph) has occurred enabling PPHSB to terminate the Shareholders' Agreement dated 21 August 2013 between PPHSB, EMAS Offshore Limited ("EOL") and EVLB ("EVLB SHA").

EOL had released two (2) public announcements dated 31 August 2017, which stated as follows:

- EOL entered into a binding term sheet with certain potential investors as part of the financial restructuring of EOL and its subsidiaries ("the Group")
- In connection with the restructuring, EOL voluntarily applied to the High Court under Section 211B(1) of the Companies Act (Cap. 50)
- EOL intends to undertake the restructuring to substantially deleverage the Group's balance sheet and strengthen its working capital position to enable its business to continue as a going concern

EOL's ongoing efforts to restructure its debts coupled with its application in OS997/2017 under Section 211B(1) of the Companies Act (Cap. 50) showed that EOL had resolved to enter into a scheme of arrangement or compromise for the benefit of its creditors or any class of them. This amounted to an event of default under clause 14.1(c) of the EVLB SHA.

In light of the default, pursuant to PPHSB's rights under Clause 14 of the EVLB SHA, PPHSB required EOL to sell 37,333,604 ordinary shares held by EOL in EVLB to PPHSB on the 30th day from the date of the termination notice at 10.00 a.m. on 14 February 2018 (Malaysia time) at the price of USD1.00, which completion shall take place at the registered office of EVLB.

On 29 January 2018, PPHSB had received two (2) notices from EOL both dated 29 January 2018.

By the first notice, EOL denied having committed any event of default under Clause 14.1(c) of the EVLB SHA, as alleged or at all and on this premise, EOL asserted that it remains as a shareholder of EVLB. The termination by PPHSB of the EVLB SHA is therefore disputed by EOL.

By the second notice, EOL required the Company Secretary of EVLB to appoint a Valuer to procure the Valuation Price for the Default Shares as the Option Price of USD1.00 is also disputed by EOL.

The Company Secretary of EVLB had on the same day acknowledged receipt of the notices and confirmed that a Valuer will be appointed accordingly for such purpose.

On 4 July 2018, Perisai served a Notice of Assignment to EOL in relation to the Assigned Rights (as defined herein below):-

PERISAI PETROLEUM TEKNOLOGI BHD (632811-X)
(Incorporated in Malaysia)

- i) By a Deed of Assignment dated 2 February 2018 made by Perisai in favour of PPHSB, Perisai has assigned to PPHSB the proceeds of the Put Option (equivalent to the sum of USD43,031,406.55) and the rights and entitlement to claim for such proceeds which are now owing and due from EOL to Perisai pursuant to Perisai's exercise of the right to sell of Perisai's remaining equity interest in SJR, representing 51% of the equity interest in SJR Marine, vide Perisai's Put Option Notice dated 8 December 2016 ("Put Option")("Assigned Rights").
- ii) that EOL is irrevocably authorised and instructed to pay to PPHSB all sums which are due to be paid by EOL to Perisai pursuant to the exercise of the Put Option.

7. Borrowings And Debt Securities

The Group's borrowings and debt securities as at 30 September 2019 are as follows:

	As at 1st quarter ended 30.9.2019					
	Long-term		Short-term		Total borrowings	
	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000
<u>Secured</u>						
Term loan	-	-	USD189,495	793,985	USD189,495	793,985
Amount owing under revolving credit	-	-	RM13,823	13,823	RM13,823	13,823
Revolving credit	-	-	USD10,000	41,900	USD10,000	41,900
Overdraft	-	-	RM6,044	6,044	RM6,044	6,044
<u>Unsecured</u>						
MTN	-	-	SGD125,000	378,800	SGD125,000	378,800
Total	-	-		1,234,552		1,234,552

	As at 1st quarter ended 30.9.2018					
	Long-term		Short-term		Total borrowings	
	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000	Foreign denomination ('000)	RM'000
<u>Secured</u>						
Term loan	-	-	USD198,494	816,361	USD198,494	816,361
Amount owing under revolving credit	-	-	RM12,362	12,362	RM12,362	12,362
Revolving credit	-	-	USD10,000	41,365	USD10,000	41,365
Overdraft	-	-	RM5,371	5,371	RM5,371	5,371
<u>Unsecured</u>						
MTN	-	-	SGD125,000	378,137	SGD125,000	378,137
Total	-	-		1,253,596		1,253,596

8. Changes In Material Litigation

Save as disclosed below, there was no pending material litigation as at the reporting date.

On 1 November 2017, Emas Victoria (L) Bhd, the Owner of the vessel Perisai Kamelia ("Owner"), a 51% joint venture of Perisai Production Holdings Sdn Bhd, a wholly-owned subsidiary of Perisai, awarded a contract to provide ship care services for the vessel Perisai Kamelia ("the Vessel") to AWH International Logistics Sdn Bhd ("AWH"), while the Vessel is laid up at Tompok Utara.

On 12 December 2017, SM Best Resources (M) Sdn Bhd (“the Plaintiff”) was appointed by AWH, vide a Ship Care Services Contract (“Contract”) for the provision of ship care services for the Vessel, effective from 15 December 2017 to 31 May 2018 and extended to another six (6) months period effective from 1 June 2018 to 30 November 2018.

Due to discrepancies and non-performance with the terms as agreed in the Contract, the Contract was terminated by AWH upon expiration of the Contract.

On 20 March 2019, Messrs Hanif & Co., the solicitors for the Plaintiff issued a Notice of Demand (“NOD”) for RM170,354.84 for the provision of ship care services for the Vessel for the period from November 2018 to December 2018. On 4 April 2019, Messrs. S. Thilaga Law Chamber, the solicitors for AWH issued a reply to the NOD, refuting the Plaintiff’s claim and demanded that the Plaintiff furnish supporting documents to substantiate the claim.

On 8 October 2019, the Vessel had been arrested pursuant to the Writ of Rem dated 19 September 2019 and the Warrant of Arrest of the Vessel dated 26 September 2019 between the Plaintiff and Owner of the Vessel and any other party related to the Vessel (the “Defendant”).

Pursuant to the Writ of Rem, the Plaintiff demanded from the Defendant on the following:-

- a) The total principal sum of RM172,000.00 for the provisions of ship care services for the Vessel at Tompok Utara Area by the Plaintiff;
- b) Interest rate at 5% per annum on the total principal sum of RM172,000.00 from 27 February 2019 until the settlement date;
- c) Costs; and
- d) Extended order(s) and/or any other order(s) deemed necessary or relevant by the High Court.

On 22 November 2019, Messrs Christopher & Lee Ong, the Solicitors acting on behalf of the Defendants and the Southern Region Marine Department had been served among others, with a sealed copy of Release Order dated 29 October 2019 on the vessel “Perisai Kamelia” by Messrs Hanif & Co, the Solicitors acting for the Plaintiff, as the sum of RM172,000.00 had been placed with the Court by the Defendants as alternative security to uplift the vessel arrest.

Further announcement on any material development on the above will be made to Bursa Malaysia Securities Berhad in due course.

9. Dividends Payable

There was no dividend declared for the financial period ended 30 September 2019.

10. Earnings Per Share ("EPS")

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

(a) Basic Earnings/(Loss) Per Share

	Individual Period		Cumulative Period	
	Current Year Quarter 30.9.2019 RM'000	Preceding Year Corresponding Quarter 30.9.2018 RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year Corresponding Period 30.9.2018 RM'000
Loss from continuing operations	(36,718)	(19,881)	(36,718)	(19,881)
Loss attributable to owners of the Company	(36,718)	(19,881)	(36,718)	(19,881)
Weighted average number of ordinary shares in issue ('000)	1,260,472	1,260,472	1,260,472	1,260,472
Basic loss per share (sen)	(2.91)	(1.58)	(2.91)	(1.58)

The diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as the assumed potential new ordinary shares are anti-dilutive.

11. Auditors' Report On Preceding Annual Financial Statements

The auditor draws attention to the material uncertainty related to going concern which related to the Group and the Company incurred net losses of RM237,052,638 and RM80,547,023 respectively. As at that date, the Group and the Company recorded net current liabilities of RM1,363,327,952 and RM916,497,842 and capital deficiencies of RM504,891,047 and RM497,654,465 respectively. Furthermore, in October 2016, the Company and its wholly-owned subsidiary, Perisai Capital (L) Inc ("PCLI") received a notice from the Trustee of the Medium Term Notes ("MTN") that an event of default for payment of principal and interest of the MTN had occurred as PCLI failed to pay the principal and interest due on 3 October 2016. Consequently, this gave rise to a cross default of the financing facilities with all other lenders of the Group and of the Company, including the joint ventures. The auditors' report on the financial statements for the financial year ended 30 June 2019 was unmodified on this matter.

The Group had submitted its regularisation plan which would address its net current liabilities positions and PN17 status on 1 August 2018. On 11 January 2019, the Proposed Regularisation Plan was rejected by Bursa Malaysia Securities Berhad ("Bursa Securities"). On 8 February 2019, the Company submitted an appeal to Bursa Securities on its decision to reject the Company's Proposed Regularisation Plan. On 5 April 2019, Bursa Securities had, vide its letter dated 5 April 2019 stated that after due deliberation and having considered all facts and circumstances of the matter including the Company's written and oral representations, the Listing Committee ("LC") had decided to dismiss the Company's appeal against the rejection by Bursa Securities of the Company's Proposed Regularisation Plan. The LC decided to grant Perisai an extension of time until 31 December 2019 to submit a new regularisation plan to the relevant authorities for approval ("the Extended Timeframe"). The Group is also pursuing all avenues available to recover the receivables, the right of indemnity of the Company as the corporate guarantor against the borrower/principal debtor is specifically stated under Section 98 of the Contract Acts 1950 and seeking legal advice pertaining to the exercise of the put option and other events relating to the put option.

12. Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 30.9.2019 RM'000	Current Year To Date 30.9.2019 RM'000
Profit/(loss) before tax is arriving at after charging/(crediting):		
Interest income	(60)	(60)
Other income	(178)	(178)
Interest expenses	22,882	22,882
Depreciation and amortisation	8,584	8,584
Restructuring cost	599	599
Provision for impairment on other receivables	159	159
Provision for impairment on amount due from joint ventures	781	781
Reversal of impairment on trade receivables	(70)	(70)
Realised foreign exchange (gain)/loss	995	995
Unrealised foreign exchange (gain)/loss	(12,830)	(12,830)

13. Financial Instruments

As at 30 September 2019, the Group did not have any outstanding derivative financial instrument. There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial period. Also, there have been no changes to the Group's risk management objectives, policies and processes since the end of the last financial year.

14. Material Impairment of Assets

There was no material impairment of assets during the current financial quarter and period under review.

15. Trade Receivables

	As at 30.9.2019 RM'000
Trade receivables	
- Billed	144,818
- Unbilled	1,928
	146,746
Less: Allowance for impairment	(124,904)
	21,842

The ageing analysis of the Group's trade receivables as at 30 September 2019 is as follows:

	As at 30.9.2019 RM'000
Neither past due nor impaired	9,386
1 to 30 days past due nor impaired	-
31 to 60 days past due nor impaired	-
61 to 90 days past due nor impaired	283
91 to 120 days past due nor impaired	-
More than 120 days past due nor impaired	12,173
Impaired	124,904
	146,746

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulty and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements. The Company is in communication with the charterers with regards to the payment of the outstanding amounts. In the event such dialogue does not result in a recovery solution acceptable to the company, all available recourse to recovery of the same shall be undertaken, including litigation.

16. Authorised For Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board of Directors dated 28 November 2019.

By Order of the Board
Perisai Petroleum Teknologi Bhd

Tai Yit Chan (MAICSA No: 7009143)
Tan Ai Ning (MAICSA No: 7015852)
Company Secretaries