

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)

Unaudited Quarterly Financial Report
31 March 2021

(Note: This Unaudited Quarterly Financial Report is supplemented by the Corporate and Business Update released on the same day, on 24 May 2021.)

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER QUARTER ENDED 31.03.2021 RM'000	INDIVIDUAL QUARTER QUARTER ENDED 31.03.2020 RM'000	CUMULATIVE QUARTER PERIOD ENDED 31.03.2021 RM'000	CUMULATIVE QUARTER PERIOD ENDED 31.03.2020 RM'000
Revenue		215,984	175,864	551,762	607,009
Cost of sales		(66,110)	(63,921)	(222,524)	(227,490)
GROSS PROFIT		149,874	111,943	329,238	379,519
Other income	27	7,202	975	13,564	1,101
Administrative expenses		(30,916)	(17,329)	(81,779)	(57,534)
Other expenses		(48,945)	(34,803)	(138,486)	(112,945)
Finance costs		(12,149)	(10,973)	(31,930)	(30,272)
Share of results of an associate		(103)	(108)	(962)	(269)
PROFIT BEFORE TAXATION	28	64,963	49,705	89,645	179,600
Taxation	29	(32,934)	(21,240)	(35,567)	(83,659)
PROFIT AFTER TAXATION		32,029	28,465	54,078	95,941
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
- Owners of the Company		32,029	28,465	54,078	95,941
EARNINGS PER SHARE (SEN)					
Basic	26	1.76	1.79	3.23	6.04
Diluted	26	1.59	1.79	3.01	6.04

Note:

Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")		122,417	94,726	250,882	314,094
--	--	----------------	---------------	----------------	----------------

(Please refer to Part A, Note 11 and Part B, Notes 15 and 16 of this Quarterly Report for further details.)

The Unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the financial statements.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER QUARTER ENDED 31.03.2021 RM'000	QUARTER QUARTER ENDED 31.03.2020 RM'000	CUMULATIVE QUARTER PERIOD ENDED 31.03.2021 RM'000	PERIOD ENDED 31.03.2020 RM'000
PROFIT AFTER TAXATION	32,029	28,465	54,078	95,941
Other comprehensive income/(expenses):				
Item that may be subsequently reclassified to profit or loss:				
- Foreign currency translation *	34,315	47,386	(36,632)	32,501
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	66,344	75,851	17,446	128,442
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the Company	66,344	75,851	17,446	128,442

* Arising from translation of Group entities' financial statements with different functional currencies recognised directly in reserves.

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the financial statements.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.03.2021 RM'000	AUDITED AS AT 30.06.2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		1,376,261	1,364,618
Equipment		610,457	587,378
Right-of-use assets		10,037	12,404
Other receivables		5,155	7,123
Investment in an associate		4,766	5,403
Restricted cash and bank balances		117,383	95,795
		<u>2,124,059</u>	<u>2,072,721</u>
CURRENT ASSETS			
Inventories		55,953	68,080
Trade receivables		95,079	11,441
Other receivables, deposits and prepayments		140,293	175,244
Other investment		197,281	-
Amount owing by a joint venture		317	481
Amount owing by an associate		15	62
Cash and bank balances		109,284	80,996
Tax recoverable		-	17,127
		<u>598,222</u>	<u>353,431</u>
TOTAL ASSETS		<u><u>2,722,281</u></u>	<u><u>2,426,152</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	954,040	764,965
Other reserves		62,085	98,230
Retained earnings		402,267	358,112
		<u>1,418,392</u>	<u>1,221,307</u>
NON-CURRENT LIABILITIES			
Other payables		12,690	23,850
Borrowings	30	10,687	14,401
Convertible Redeemable Preference Shares ("CRPS") – Liability Component		10,971	-
Contingent consideration		30,800	2,363
Deferred tax liabilities		488,652	485,791
Provision for decommissioning costs		303,355	276,228
		<u>857,155</u>	<u>802,633</u>

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the financial statements.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONT'D)

	Note	UNAUDITED AS AT 31.03.2021 RM'000	AUDITED AS AT 30.06.2020 RM'000
CURRENT LIABILITIES			
Trade payables		12,413	4,797
Other payables and accruals		320,803	275,684
Borrowings	30	9,929	59,864
Amount owing to a joint venture		318	318
Contingent Consideration		15,748	-
Provision for decommissioning costs		58,630	58,717
Provision for taxation		28,674	2,613
Redeemable Convertible Preference Shares		219	219
		446,734	402,212
TOTAL LIABILITIES		1,303,889	1,204,845
TOTAL EQUITY AND LIABILITIES		2,722,281	2,426,152
NET ASSETS PER SHARE (RM)		0.71	0.77

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the financial statements.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----- NON-DISTRIBUTABLE ----->					
	SHARE CAPITAL RM'000	CRPS – EQUITY COMPONENT RM'000	OTHER RESERVES RM'000	FOREIGN EXCHANGE RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
9 months to 31.03.2021						
As at 01.07.2020	764,965	-	389	97,841	358,112	1,221,307
Profit after taxation	-	-	-	-	54,078	54,078
Other comprehensive expenses, net of tax:						
- Foreign currency translation	-	-	-	(36,632)	-	(36,632)
Total comprehensive (expenses)/income for the period	-	-	-	(36,632)	54,078	17,446
Issuance of CRPS	-	8,515	-	-	-	8,515
Conversion of CRPS	189,071	(8,028)	-	-	-	181,043
Conversion of Warrants C	4	-	-	-	-	4
Dividend	-	-	-	-	(9,923)	(9,923)
Total transactions with owners of the Company	189,075	487	-	-	(9,923)	179,639
As at 31.03.2021	954,040	487	389	61,209	402,267	1,418,392
9 months to 31.03.2020						
As at 01.07.2019	764,965	-	389	64,812	407,366	1,237,532
Profit after taxation	-	-	-	-	95,941	95,941
Other comprehensive income, net of tax:						
- Foreign currency translation	-	-	-	32,501	-	32,501
Total comprehensive income for the period	-	-	-	32,501	95,941	128,442
As at 31.03.2020	764,965	-	389	97,313	503,307	1,365,974

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the financial statements.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 31.03.2021 RM'000	PERIOD ENDED 31.03.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	89,645	179,600
Adjustments for:		
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	129,307	104,222
Finance costs	31,930	30,272
Unrealised loss on foreign exchange	7,323	7,009
Loss on disposal of equipment	2,209	-
Share of results of an associate	962	269
Impairment of other receivables	-	2,618
Impairment of investment in an associate	-	808
Write-off of fixed assets	-	21
Fair value changes on other investment	(88)	-
Interest income	(1,566)	(697)
Reversal of contingent consideration	(2,329)	-
Operating profit before working capital changes	257,393	324,122
Inventories	9,908	2,186
Trade receivables	(81,293)	17,485
Other receivables, deposits and prepayments	35,156	(99,078)
Trade payables	7,710	(3,915)
Other payables and accruals	(38,765)	(31,998)
Amount owing by a joint venture	-	33
Amount owing by an associate	50	(59)
Amount owing to an associate	-	(16)
Cash generated from operating activities	190,159	208,760
Tax refund/(paid)	24,454	(85,931)
Movement in restricted cash and bank balances **	(24,598)	(23,369)
Net cash generated from operating activities	190,015	99,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investment	(197,193)	-
Purchase of equipment	(94,187)	(225,730)
Acquisition of intangible assets	(22,323)	(66,845)
Interest received	1,566	697
Proceeds from disposal of equipment	3,568	-
Net cash used in investing activities	(308,569)	(291,878)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of term loan	(49,358)	47,405
Net repayment of lease liabilities	(10,021)	(3,640)
Net proceeds from issuance of ordinary shares	4	-
Net proceeds from issuance of CRPS	195,940	-
Net cash generated from financing activities	136,565	43,765
Net increase/(decrease) in cash and cash equivalents	18,011	(148,653)
Effects of foreign exchange rate changes	10,215	(932)
Cash and cash equivalents at beginning of the financial period	77,307	206,709
Cash and cash equivalents at end of the financial period	105,533	57,124
Cash and bank balances in the consolidated statements of financial position are as follows:		
<u>Non-current</u>		
Restricted cash and bank balances **	117,383	90,254
<u>Current</u>		
Cash and bank balances	109,284	60,782
Less: Restricted cash and bank balances ***	(3,751)	(3,658)
Cash and cash equivalents	105,533	57,124

** Anasuria Hibiscus UK Limited ("Anasuria Hibiscus UK") is required to provide security for its proportionate obligations for the estimated cost of decommissioning the facilities of the Anasuria Cluster by periodically placing monies in a trust commencing 18 months from the completion date of the sale and purchase agreement for the acquisition of the Anasuria Cluster, until such time that the security has been fully provided for. Such decommissioning activities are expected to be carried out at the end of life of the Anasuria Cluster and therefore, these monies in the trust are classified as non-current assets.

*** SEA Hibiscus Sdn Bhd ("SEA Hibiscus") is required to place deposit with a financial institution as security for banking facilities obtained. The amount as at 31 March 2021 is RM3.749 million (31 March 2020: RM3.658 million). The balance of RM0.002 million as at 31 March 2021 represents minimum funds required to be kept in an Islamic trust account maintained with a licensed bank by an independent custodian in connection with the Private Placement of CRPS (please refer to Note 4(i) of this Quarterly Report).

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the financial statements.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

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

1 BASIS OF PREPARATION

This unaudited Quarterly Report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standard (“**MFRS**”) 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and Paragraph 9.22 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The explanatory notes attached to the unaudited condensed consolidated 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 the Group since the financial year ended 30 June 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed financial statements are consistent with those followed in the preparation of the Group’s audited financial statements for the financial year ended 30 June 2020.

2.1 Adoption of Amendments to Standards

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2020:

The Conceptual Framework for Financial Reporting (Revised 2018)

Amendments to MFRS 101 and MFRS 108	<i>Definition of Material</i>
--	-------------------------------

Amendments to MFRS 3	<i>Definition of a Business</i>
-------------------------	---------------------------------

The adoption of the above amendments did not have any material impact on the current financial quarter or any prior financial period and is not likely to affect future financial periods.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Standards issued but not yet effective

Description		Effective for financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendment to MFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Annual Improvements to MFRSs 2018-2020	<i>MFRS 9 Financial Instruments, Illustrative Examples Accompanying MFRS 16 Leases</i>	1 January 2022
Amendments to MFRS 3	<i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101	<i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108	<i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS Practise Statement 2	<i>Disclosure of Accounting Policies</i>	1 January 2023

The Group will adopt the above standards and amendments when they become effective in the respective financial periods. The Group is in the process of assessing the impact of the adoption of these standards and amendments to existing standards.

3 SEASONAL OR CYCLICAL FACTORS

The Group's operations are not significantly affected by any seasonal or cyclical factors.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

4 SIGNIFICANT/UNUSUAL ITEMS

Save as disclosed below, there were no other significant or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 31 March 2021 (“**Current Period**”):

(i) Fund raising via Private Placement of Islamic Convertible Redeemable Preference Shares (“**CRPS**”)

On 9 September 2020, Hong Leong Investment Bank Berhad (“**HLIB**”) and CIMB Investment Bank Berhad (“**CIMB**”), on behalf of the Board of Directors of the Company (“**Board**”), announced that the Company proposed to undertake the following proposals:

- a) Proposed allotment and issuance of up to 2,000,000,000 new CRPS by way of private placement exercise to raise up to RM2.00 billion (“**Private Placement of CRPS**”); and,
- b) The proposed amendments to the Constitution of the Company to facilitate the issuance of the CRPS.

The CRPS are for placement to Malaysian and foreign investors who fall within the ambit of Schedules 6 and 7 of the Capital Markets and Services Act 2007.

The net proceeds (after deducting all costs and expenses relating to the issuance of the CRPS) raised from the issuance of the CRPS are to be utilised in relation to acquisitions and/or investments in producing assets (whether directly or indirectly, through entities holding such assets or otherwise) that meet specific qualifying parameters, including payment of associated transaction costs, transition costs and deposits for such assets.

The placement of the first tranche of the Private Placement of CRPS (“**CRPS-T1**”) was completed on 18 November 2020 with the allotment and issuance of 6,600 CRPS-T1 solely to Dr Kenneth Gerard Pereira. CRPS-T1 was not listed.

On 19 November 2020, the Company further allotted and issued in aggregate 203,604,500 CRPS pursuant to the second tranche of the Private Placement of CRPS (“**CRPS-T2**”). The 203,604,500 CRPS-T2 was listed on the Main Market of Bursa Securities with effect from 23 November 2020.

The maturity date of the CRPS is on 18 November 2022.

In addition, on 4 March 2021, on behalf of the Board, HLIB and CIMB had announced that Bursa Securities had resolved to grant an extension of time of 6 months from 22 March 2021 until 21 September 2021 for the Company to complete the implementation of the Private Placement of CRPS.

Please refer to our announcements dated 9 September 2020, 10 September 2020, 15 September 2020, 23 September 2020, 8 October 2020, 12 October 2020, 3 November 2020, 9 November 2020, 12 November 2020, 20 November 2020, 23 November 2020, 22 February 2021 and 4 March 2021 for further details.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

(ii) Option to participate in the VIC/P74 Exploration Permit (“VIC/P74”) in Australia

Hibiscus Petroleum’s wholly-owned subsidiary, Oceania Hibiscus Sdn. Bhd. holds a 11.68% equity interest in 3D Oil Limited (“**3D Oil**”), a company listed on the Australian Stock Exchange.

On 26 July 2019, 3D Oil was awarded the VIC/P74 permit in the offshore Gippsland Basin by the National Offshore Petroleum Titles Administrator (“**NOPTA**”). The 1,006 km² permit is located on the southern side of the Gippsland Basin, adjacent to the Kingfish oilfield.

Under the terms of a pre-bid agreement, the Group had thirty days to elect to enter into a joint venture with 3D Oil for up to a 50% non-operated interest in VIC/P74 on a ground floor basis.

Subsequently, on 3 October 2019, the Company announced that Carnarvon Hibiscus Pty Ltd (“**Carnarvon Hibiscus**”), an indirect wholly-owned subsidiary of Hibiscus Petroleum, had exercised its option to farm into VIC/P74 (the “**Permit**”) by acquiring a 50% interest in the Permit (“**Interest**”) from 3D Oil. Subsequent to the above, Carnarvon Hibiscus entered into an Assignment Agreement with 3D Oil on 8 May 2020 and the transfer of interest contemplated thereunder was approved and registered by NOPTA on 6 July 2020. Carnarvon Hibiscus and 3D Oil have now executed an Instrument of Transfer, a Joint Operating Agreement (“**JOA**”) and a Deed of Cross Charge for the Permit (collectively the “**Instruments**”) and submitted them to NOPTA for approval and registration.

Under the JOA, it is agreed that 3D Oil shall remain as the operator of the Permit through the primary first 3 years of the prospect generation phase (“**First Phase**”). This work programme consists primarily of purchasing reprocessed 3D seismic data to progress geological and geophysical studies in order to finetune resource assessments and enable prospect ranking. It has also been agreed between the parties that (a) if it is required that a well or wells be drilled after the First Phase, Carnarvon Hibiscus shall be the operator of the Permit but 3D Oil shall continue to be the operator for geological and geophysical operations, but (b) if there is a farm-in for a substantial interest in the Permit that will require drilling a well or wells by the farmee, the farmee will become the operator for all operations.

NOPTA’s approval was obtained on 7 October 2020, and the Instruments were registered on the same date, thereby facilitating the completion of Carnarvon Hibiscus’s acquisition of a 50% interest in the Permit.

Please refer to our announcements dated 26 July 2019, 3 October 2019, 8 October 2020 and 15 February 2021 for further details.

(iii) 32nd United Kingdom (“UK”) Offshore Licensing Round Awards

On 3 September 2020, the Group announced that Anasuria Hibiscus UK was offered the award of three licences, as part of the 32nd UK Offshore Licensing Round (“**Licensing Round**”) launched by the UK’s Oil and Gas Authority (“**OGA**”) in July 2019. The three licences are Licence No. P2535 (Block 21/24d), Licence No. P2518 (Block 15/17a) and Licence No. P2532 (Blocks 21/19c and 21/20c).

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

The Licensing Round offered blocks in mature, producing areas close to existing infrastructure, under flexible terms of the Innovate Licence which enables companies like Anasuria Hibiscus UK to define a licence duration and phasing that would result in the execution of an optimal work programme.

Pursuant to the OGA's offer for award received by Anasuria Hibiscus UK, the OGA had on 19 January 2021 advised that Licence No. P2535 and Licence No. P2518 were fully executed. The OGA further advised on 2 February 2021 that Licence No. P2532 was fully executed. The licence terms commenced from 1 December 2020 for a period of 4 years (Field Development Plan ("FDP") phase) with a subsequent term (production phase) to begin for a period of 18 years from the completion of the FDP phase.

a) Licence No. P2535 (Block 21/24d)

The block which has an area size of 57.86 square kilometres, contains the Teal West discovery, which is contiguous to the Teal field and is located approximately 4 kilometres from the Teal manifold of the Anasuria Cluster.

The block is held by Anasuria Hibiscus UK (70%) and Zennor Petroleum Limited (30%).

The Teal West discovery is expected to be a potential tieback candidate to the Anasuria floating production storage and offloading vessel ("**Anasuria FPSO**") in which Anasuria Hibiscus UK has significant interests.

Anasuria Hibiscus UK is to prepare an FDP for the Teal West discovery for OGA's approval by end 2022, as part of the terms of the agreement.

b) Licence No. P2518 (Block 15/17a)

This block of 9 square kilometres is located 8 kilometres from the Marigold field and is wholly held by Anasuria Hibiscus UK. It contains part of the Kildrummy discovery plus a minor part of the Beaumaris discovery and the Udny prospect.

It is hoped that the Kildrummy discovery may become a potential tieback candidate to infrastructure implemented as part of the Marigold development.

As part of the terms of the licence, Anasuria Hibiscus UK is to provide a technical update to the OGA by December 2022, pursuant to carrying out seismic interpretation work.

c) Licence No. P2532 (Blocks 21/19c and 21/20c)

These blocks are contiguous with the Cook field.

The blocks that were awarded reflect a similar equity holding as that of the Cook field i.e. 19.325% for Anasuria Hibiscus UK, 61.35% for Ithaca Energy UK Limited, and 19.325% for Ping Petroleum UK Limited.

Please refer to our announcements dated 3 September 2020, 20 January 2021 and 3 February 2021 for further details.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

- (iv) Acquisition of 85% interest in the UK Continental Shelf Petroleum Production Licence No. P238 (Block 21/19a), Eagle Pre-Producing Area ("**Eagle Field**")

On 25 February 2021, the Group announced that Anasuria Hibiscus UK entered into a Sale and Purchase Agreement ("**SPA**") with EnQuest Heather Limited ("**EnQuest**") in respect of 85% interest in the UK Continental Shelf Petroleum Production Licence No. P238 (Block 21/19a), Eagle Field.

The Eagle Field is located approximately 6.4 kilometres to 15.0 kilometres from various facilities of the Anasuria Cluster, and due to its proximity, facilitates a potential subsea tie back to the Anasuria FPSO which could extend the latter's economic life.

Under the terms of the SPA, the consideration for Anasuria Hibiscus UK's acquisition of 85% in the Eagle Field from EnQuest is a nominal United States Dollar ("**USD**") 1 due to EnQuest on SPA completion plus the cost representing Anasuria Hibiscus UK's carry of EnQuest's remaining 15% from completion of the SPA through to first oil. Such costs of the carry are presently estimated to be approximately USD7.5 million.

The conditions precedent to completion are subject to customary regulatory and third party approvals.

In addition, the terms of the deal include the transfer of operatorship of the licence to Anasuria Hibiscus UK, according to the provisions to be contained in a Joint Operating Agreement between AHUK and EnQuest, which shall be signed at SPA completion.

Please refer to our announcement dated 25 February 2021 for further details.

5 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial periods that have a material effect in the Current Period.

6 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL QUARTER

Save as disclosed in Part A, Note 4 of this Quarterly Report, there were no material events subsequent to the end of the Current Period up to the date of this Quarterly Report.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

7 CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed below, there were no other changes in the composition of the Group during the Current Period.

On 15 January 2021, the Company incorporated a wholly-owned subsidiary Asia Hibiscus Sdn Bhd (“**Asia Hibiscus**”) under the Companies Act, 2016 with an issued and paid-up share capital of 2 ordinary shares of RM2.00.

Concurrently, Asia Hibiscus had, on 15 January 2021, became the sole shareholder of Peninsula Hibiscus Sdn Bhd, a company incorporated under the Companies Act, 2016 with an issued and paid-up share capital of 2 ordinary shares of RM2.00.

8 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any material contingent liabilities or contingent assets, which, upon becoming enforceable, may have a material impact on the profit or loss account, or net assets value of the Group.

9 DIVIDENDS PAID

There were no dividends paid during the Current Period.

10 DEBT AND EQUITY SECURITIES

The movements in the issued share capital of the Company during the Current Period were as follows:

	PERIOD ENDED 31.03.2021	
	Number of shares	Share capital RM'000
ORDINARY SHARES		
As at 01.07.2020	1,588,228,791	764,965
Conversion of CRPS	399,953,153	189,071
Conversion of Warrant C	3,960	4
As at 31.03.2021	<u>1,988,185,904</u>	<u>954,040</u>

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

10 DEBT AND EQUITY SECURITIES (CONT'D)

(i) Private Placement of CRPS

During the Current Period, the Company issued 203,611,100 CRPS (i.e. 6,600 CRPS-T1 and 203,604,500 CRPS-T2) amounting to RM203,611,100 at an issue price of RM1.00 per CRPS.

Details of the CRPS are as follows:

- (a) The CRPS are classified as a compound financial instrument, where the instrument contains both liability and equity components.

The Company has a financial liability arising from its obligation to repay the premium and principal ("**Redemption Price**") to holders of the CRPS which are not converted (whether mandatory or optional). The Company may redeem the CRPS, either at the end of the 18th month from CRPS-T1's issue date on 17 May 2022, or at the maturity date of the CRPS on 18 November 2022, subject to compliance with Companies Act 2016. The fair value of the liability component is arrived at by discounting the Redemption Price over the tenure of the CRPS at a discount rate based on the benchmark rate of debt instruments which have a similar profile as the CRPS.

The total equity component is determined based on the proceeds from the issuance of the CRPS, net of the liability component of the CRPS.

- (b) The conversion price of the CPRS is fixed at a premium of up to 10% over the 5-day volume weighted average market price up to and including the market day immediately before the respective price-fixing date.

The conversion prices for CRPS-T1 and CRPS-T2 were fixed at RM0.66 and RM0.48 respectively.

- (c) The transaction costs for the issuance of 203,611,100 CRPS of approximately RM5.9 million comprise placement fees, professional fees, regulatory fees and other expenses, and have been allocated to the liability component and the equity component in proportion to their initial carrying amounts amounting to RM5.6 million and RM0.3 million respectively.

- (d) During the Current Period, there were conversions of 6,600 units of CRPS-T1 and 191,972,731 units of CRPS-T2 into 399,953,153 ordinary shares in aggregate at a conversion price of RM0.66 and RM0.48 respectively.

(ii) Warrants C

The Warrants C were issued by the Company on 20 March 2018 and expired at 5.00 p.m. on Friday, 19 March 2021. Warrants C which are not exercised by the expiry date lapsed and became null and void and ceased to be exercisable at 5.00 p.m. on Thursday, 18 March 2021. Accordingly, the Warrants C were removed from the Official List of Bursa Securities with effect from 9.00 a.m. on Monday, 22 March 2021.

During the Current Period, 3,960 Warrants C were exercised at the exercise price of RM1.12 each and correspondingly, 3,960 new ordinary shares were allotted and issued, and subsequently listed on Main Market of Bursa Securities, raising a total of RM4,435.20.

Same as disclosed above, there were no other issuances, cancellations, repurchases, resale, exercise of debt and equity securities during the Current Period.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

11 OPERATING SEGMENTS

Operating results are segmented in respect of the Group's business activities. The Group currently has activities in the following principal areas [^]:

- | | | |
|-------|---|---|
| (i) | North Sabah | <p>Group's investment in 50% participating interests in the 2011 North Sabah Enhanced Oil Recovery ("EOR") Production Sharing Contract ("PSC"), which includes the management of the operations relating to the production of petroleum from four existing oil fields, namely St Joseph, South Furious, South Furious 30 and Barton and existing pipeline infrastructure, the Labuan Crude Oil Terminal ("LCOT"), and all other equipment and assets relating to the PSC.</p> <p>The segment's functional currency is USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.1205 and 4.1513 respectively.</p> |
| (ii) | Anasuria Hibiscus | <p>Group's investments and operations in the UK, consisting of (i) the Anasuria Cluster, a producing asset, (ii) Marigold and Sunflower fields, a development asset, and (iii) Licence No. P2366, all located offshore in the UK Continental Shelf.</p> <p>Anasuria Cluster:</p> <ul style="list-style-type: none"> • Group's investment in 50% interest in the Licence No. P013 containing the Guillemot A, Teal and Teal South producing fields, 19.3% participating interests in the Licence No. P185 containing the Cook producing field, 50% interest in the Anasuria FPSO and 50% interest in the Anasuria Operating Company Limited ("AOCL"). The Group jointly operates the producing fields under Licence No. P013 and the Anasuria FPSO via AOCL. <p>Marigold and Sunflower fields:</p> <ul style="list-style-type: none"> • Group's investment in 87.5% interest in two blocks under Licence No. P198; (i) Block 15/13a, containing the Marigold discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production. <p>Licence No. P2366:</p> <ul style="list-style-type: none"> • Group's investment in 100% interest in Licence No. P2366. <p>Licence No. P2535:</p> <ul style="list-style-type: none"> • Group's investment in 70% interest in Licence No. P2535. <p>Licence No. P2518:</p> <ul style="list-style-type: none"> • Group's investment in 100% interest in Licence No. P2518. <p>The segment's functional currency is USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.1205 and 4.1513 respectively.</p> |
| (iii) | Bass Strait Cluster | <p>Group's operations in the VIC/L31 Production Licence ("VIC/L31") for the West Seahorse field, other exploration prospects in Australia within the VIC/P57 Exploration Permit ("VIC/P57"), VIC/P74, and investment in 3D Oil.</p> <p>The segment's functional currency is Australian Dollar ("AUD"). The average and closing rates adopted for conversion to RM in the Current Period are 3.0557 and 3.1584 respectively.</p> |
| (iv) | Investment holding and group activities | <p>Investments in companies owning/operating oil and gas concessions, and provision of project management, technical and other services relating to the oil and gas exploration and production industry. The investment holding and group activities are located in Malaysia.</p> |

[^] The Directors have fully impaired the Group's respective investments in (i) Lime Petroleum Plc ("**Lime**") and its concession companies ("**Lime Group**") and (ii) HiRex Petroleum Sdn. Bhd. ("**HIREX**"). Therefore, both the Lime Group and HIREX are no longer relevant for inclusion in this section. For the avoidance of doubt, the rights and legal position of the Group are fully reserved in respect of each of the Lime Group (including, without limitation, the Group's legal actions in Singapore and Norway against various parties in relation to the Lime Group) and HIREX. Both Lime and HIREX are in the process of being wound up.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

11 OPERATING SEGMENTS (CONT'D)

	North Sabah	Anasuria Hibiscus	Bass Strait Cluster	Investment holding and group activities	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>As at 31.03.2021</u>					
Non-current assets	709,957	1,358,255	52,546	3,301	2,124,059
Included in the segment assets is:					
Investment in an associate	-	-	4,766	-	4,766
Additions to non-current assets	143,109	102,350 [^]	1,799	727	247,985
<u>Period ended 31.03.2021</u>					
Project management, technical and other service fees	-	-	-	2,876	2,876
Sales of crude oil and gas	389,002	158,626	-	-	547,628
Interest income	-	-	-	1,258	1,258
Revenue	389,002	158,626	-	4,134	551,762
Depreciation and amortisation	(80,325)	(48,062)	-	(920)	(129,307)
Profit/(loss) from operations	126,497	10,316	3,055	(17,759)	122,109
Loss on disposal of equipment	-	-	-	(2,209)	(2,209)
Share of results of an associate	-	-	(962)	-	(962)
Reversal of contingent consideration	-	2,329	-	-	2,329
Finance costs	(14,768)	(13,783)	-	(3,379)	(31,930)
Interest income	80	228	-	-	308
Taxation	(36,653)	797	-	289	(35,567)
Profit after taxation ("PAT")/ (Loss after taxation ("LAT"))	75,156	(113)	2,093	(23,058)	54,078
EBITDA/(Loss Before Interest, Taxes, Depreciation and Amortisation ("LBITDA"))	206,902	60,935	2,093	(19,048)	250,882

[^] Additions to non-current assets for Anasuria Hibiscus included RM72.2 million invested for Block 15/13a (Marigold) and Block 15/13b (Sunflower).

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

11 OPERATING SEGMENTS (CONT'D)

	North Sabah	Anasuria Hibiscus	Bass Strait Cluster	Investment holding and group activities	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31.03.2020					
Non-current assets	664,268	1,358,338	214,907	23,174	2,260,687
Included in the segment assets is:					
Investment in an associate	-	-	4,187	-	4,187
Additions to non-current assets	194,185	98,962 ^{^^}	557	8,427	302,131
Period ended 31.03.2020					
Project management, technical and other services fees	-	-	-	2,976	2,976
Sales of crude oil and gas	404,994	198,998	-	-	603,992
Interest income	-	-	-	41	41
Revenue	404,994	198,998	-	3,017	607,009
Depreciation and amortisation	(55,528)	(46,137)	-	(2,557)	(104,222)
Profit/(loss) from operations	165,971	64,170	(5,104)	(14,744)	210,293
Impairment of investment in an associate	-	-	(808)	-	(808)
Share of results of an associate	-	-	(269)	-	(269)
Finance costs	(17,276)	(12,430)	-	(566)	(30,272)
Interest income	227	428	1	-	656
Taxation	(71,196)	(12,463)	-	-	(83,659)
PAT/(LAT)	77,726	39,705	(6,180)	(15,310)	95,941
EBITDA/(LBITDA)	221,726	110,735	(6,180)	(12,187)	314,094

^{^^} Additions to non-current assets for Anasuria Hibiscus included RM8.4 million invested for Block 15/13a (Marigold) and Block 15/13b (Sunflower).

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

12 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions within the Group are as follows:

	INDIVIDUAL QUARTER QUARTER ENDED 31.03.2021 RM'000	QUARTER ENDED 31.03.2020 RM'000	CUMULATIVE QUARTER PERIOD ENDED 31.03.2021 RM'000	PERIOD ENDED 31.03.2020 RM'000
Project management, technical and other services fees earned from a related party				
- Ping Petroleum UK Limited	923	972	2,803	2,976
Joint Operating Agreement indirect overheads recovery from an associate				
- 3D Oil	1	-	1	3
Technical and non-technical charges reimbursed from an associate				
- 3D Oil	-	1	1	4
Technical and non-technical, and overhead charges reimbursed to an associate				
- 3D Oil	182	-	1,632	(131)

13 MATERIAL COMMITMENTS

Save as disclosed below, the Group is not aware of any material capital commitments incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the profit or loss account, or net assets value of the Group as at 31 March 2021:

	RM'000
Approved and contracted for:	
Group's capital commitments	23,599
Share of a joint operation's capital commitments	10,919
Total capital commitments approved and contracted for	34,518
Share of a joint operation's other material commitments	33,468
	67,986
Approved but not contracted for:	
Group's capital commitments	23,964
Share of a joint operation's capital commitments	541
Total capital commitments approved but not contracted for	24,505
Share of a joint operation's other material commitments	2,954
	27,459

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR OF BURSA SECURITIES

14 AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no audit qualification to the auditors’ report on the latest audited financial statements.

15 PERFORMANCE REVIEW

OPERATING SEGMENTS	Current Year Period	Current Year Quarter	Immediate Preceding Quarter	Current Year Quarter vs Immediate Preceding Quarter (Change in %)
	31.03.2021 RM'000	31.03.2021 RM'000	31.12.2020 RM'000	
North Sabah				
Revenue	389,002	148,384	142,653	4
EBITDA	206,902	94,354	66,384	42
PBT	111,809	59,167	33,241	78
Taxation	(36,653)	(22,423)	(6,862)	(227)
PAT	75,156	36,744	26,379	39
Anasuria Hibiscus				
Revenue	158,626	65,799	46,245	42
EBITDA	60,935	34,991	4,575	665
(LBT)/PBT	(910)	14,859	(15,713)	-
Taxation	797	(10,668)	10,833	-
(LAT)/PAT	(113)	4,191	(4,880)	-
Bass Strait Cluster				
Revenue	-	-	-	-
EBITDA/(LBITDA)	2,093	(545)	2,254	-
PBT/(LBT)	2,093	(545)	2,254	-
Taxation	-	-	-	-
PAT/(LAT)	2,093	(545)	2,254	-
Investment holding and group activities				
Revenue	4,134	1,801	1,387	30
LBITDA	(19,048)	(6,383)	(10,035)	36
LBT	(23,347)	(8,518)	(11,868)	28
Taxation	289	157	132	19
LAT	(23,058)	(8,361)	(11,736)	29
Group				
Revenue	551,762	215,984	190,285	14
EBITDA	250,882	122,417	63,178	94
PBT	89,645	64,963	7,914	721
Taxation	(35,567)	(32,934)	4,103	-
PAT	54,078	32,029	12,017	167

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results

(A) Statements of Profit or Loss

(Note: Commentary is based on the segments classified in Part A, Note 11 of this Quarterly Report.)

(i) North Sabah

• **Financial year-to-date results**

The Company's indirect wholly-owned subsidiary, SEA Hibiscus, holds 50% participating interests in the 2011 North Sabah EOR PSC.

In the Current Period, the North Sabah segment recorded revenue of RM389.0 million. 2,063,275 bbls of crude oil were sold at an average realised oil price of USD45.76 per bbl.

Gross profit and EBITDA attained were RM229.2 million and RM206.9 million respectively. Despite the relatively low average realised oil price, both the gross profit margin and EBITDA margin over revenue were at healthy levels, at 58.9% and 53.2% respectively.

The healthy gross profit margin was largely driven by a low average operating costs ("OPEX") per barrel ("bbl") of USD13.74. Lower OPEX levels were mainly due to cost optimisation initiatives undertaken to mitigate the adverse financial impact arising from a lower oil price environment. The OPEX per bbl has included amounts incurred for planned maintenance activities performed at the offshore platforms at the St Joseph, South Furious and Barton facilities during the Current Period.

Both average uptime and the average net oil production rate achieved in the Current Period were high, at 91% and 6,568 bbls per day respectively.

Segment PBT was RM111.8 million. It was derived mainly after deducting the following items from EBITDA, all of which are non-cash in nature:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM76.3 million; and,
- Unwinding of discount on provision for decommissioning costs of RM5.7 million.

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to SEA Hibiscus, is the Petroleum (Income Tax) Act 1967 ("PITA"). The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%. Total net tax expenses in the Current Period were RM36.7 million, which resulted in an effective tax rate over PBT of 32.8%. The effective tax rate is lower than the PITA rate as it included a reversal of an overprovision of tax for calendar year 2019 amounting to RM5.8 million. The overprovision amount was finalised upon submission of the tax returns to the Inland Revenue Board in the financial quarter ended 31 December 2020 ("**Preceding Quarter**").

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

- **Current quarter results**

SEA Hibiscus generated RM148.4 million revenue in the financial quarter ended 31 March 2021 ("**Current Quarter**"). 599,948 bbls of crude oil were sold in two offtakes at an average realised oil price of USD60.46 per bbl.

Gross profit and EBITDA attained were RM105.9 million and RM94.4 million respectively. The North Sabah asset performed well operationally during the Current Quarter. Both average uptime and average OPEX per bbl were at healthy levels. Average uptime achieved was 95% while average OPEX per bbl recorded was USD10.92. The average net oil production rate was also high, at 6,578 bbls per day due to better well performance at the South Furious and St Joseph fields.

Due to the careful management of costs and favourable operational performance, the resulting gross profit margin and EBITDA margin were both high at 71.4% and 63.6% respectively.

In the Current Quarter, the segment recorded a PBT of RM59.2 million. This was achieved after deductions of the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM28.6 million; and,
- Unwinding of discount on provision for decommissioning costs of RM2.0 million.

Total net tax expenses in the Current Quarter were RM22.4 million. The resulting effective tax rate over PBT was 37.9%, which is consistent with the PITA rate of 38.0%.

(ii) Anasuria Hibiscus

- **Financial year-to-date results**

In the Current Period, from this segment of our business, we sold 777,621 bbls of crude oil in three offtakes at an average realised oil price of USD45.93 per bbl. Total revenue generated was RM158.6 million.

Gross profit and EBITDA attained were RM95.9 million (60.5% margin over revenue) and RM60.9 million (38.4% margin over revenue) respectively.

Average OPEX per bbl of oil equivalent ("**boe**") recorded for the Current Period was USD19.28. The average daily oil equivalent production rate was 3,005 boe per day while average uptime was 93%. The high uptime was due to well optimisation activities performed since the Preceding Quarter.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

LAT for the segment was RM0.1 million after deducting the following significant non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM47.9 million; and,
- Unwinding of discount on provision for decommissioning costs of RM13.3 million.

Anasuria Hibiscus UK recorded a LBT for the Current Period and as a result, recognised a net tax credit amounting to RM0.8 million.

- **Current quarter results**

In the Current Quarter, the Anasuria Hibiscus segment sold 274,996 bbls of crude oil at an average realised oil price of USD54.04 per bbl. Total revenue achieved was RM65.8 million, whilst gross profit was RM42.2 million (64.1% margin over revenue).

The Anasuria asset achieved average uptime of 91% and average daily oil equivalent production rate of 2,816 boe per day. Average OPEX per boe recorded was USD18.15. During the Current Quarter, costs were incurred for activities related to safety, inspection and maintenance.

The segment achieved an EBITDA of RM35.0 million (53.2% margin over revenue) in the Current Quarter. EBITDA has been adversely affected by the period-end retranslation of the segment's GBP-denominated balances which resulted in unrealised foreign exchange losses of RM1.4 million.

Segment PAT was RM4.2 million. It was arrived at after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM15.1 million; and,
- Unwinding of discount on provision for decommissioning costs of RM4.6 million.

The segment recorded a net tax expense in the Current Quarter amounting to RM10.7 million.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(iii) Bass Strait Cluster

- **Financial year-to-date results**

In the Current Period, the segment recorded PAT of RM2.1 million.

The AUD, being the segment's functional currency, had appreciated against the USD during the Current Period when compared to 30 June 2020. The period-end retranslation of the segment's USD-denominated payables resulted in unrealised foreign exchange gains, which was the main reason for the PAT. A significant portion of such USD-denominated payables are to inter-companies.

There were also costs incurred for professional fees, project management fees, administrative expenses and share of results of the associate.

- **Current quarter results**

The segment recorded a LAT of RM0.5 million in the Current Quarter.

This was mainly due to an adverse foreign exchange impact which arose from the appreciation of the USD against the AUD (when compared to 31 December 2020), impacting the quarter-end revaluation of USD-denominated inter-company payables.

(iv) Investment holding and group activities

- **Financial year-to-date results**

LAT for the Current Period amounted to RM23.1 million.

Expenses relating to business development and fund-raising activities amounted to RM8.7 million.

In the Current Period, upon the issuance of CRPS-T1 and CRPS-T2 in November 2020, the Group had commenced the accretion of finance costs on the CRPS amounting to RM3.3 million. The finance costs consist of the premium applied on the issue price of the CRPS and the unwinding of discount on the liability component of the CRPS, after deducting transaction costs.

In addition, the Group concluded the disposal of the Britannia Rig ("**Rig**") to a third party. A loss on disposal was recognised for this transaction amounting to RM2.2 million.

Major components of other expenses recognised during the Current Period relate largely to corporate overheads, maintenance fees for the Rig, professional and consultancy fees and depreciation expense.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

- **Current quarter results**

Segment LAT in the Current Quarter was RM8.4 million.

Total amount incurred for business development and fund-raising activities during the Current Quarter amounted to RM2.6 million.

Accretion of finance costs relating to the CRPS (liability component) amounted to RM1.8 million.

In addition to the above, other expenses recognised relate largely to corporate overheads, professional and consultancy fees and depreciation expense.

(B) Statements of Financial Position

(i) Non-current Assets

The Group's non-current assets increased from RM2,072.7 million as at 30 June 2020 to RM2,124.1 million as at 31 March 2021.

The increase was mainly driven by capital expenditure invested by the Group during the Current Period. In North Sabah, RM89.9 million was incurred mainly for the St Joseph Major and Minor Sands drilling campaigns. This project entailed the drilling of three infill wells targeting the Minor Sands and one infill well targeting the Major Sands. Capital expenditure programs invested by Anasuria Hibiscus UK amounted to RM78.0 million (RM72.2 million for the Marigold and Sunflower fields, RM4.2 million for the Anasuria Cluster and RM1.6 million for Teal West).

In addition to the above, Anasuria Hibiscus UK paid an amount equivalent to RM21.6 million in the Current Period for its proportionate obligations for the estimated cost of decommissioning the facilities of the Anasuria Cluster into a trust. As such decommissioning activities are expected to be carried out at the end of life of the Anasuria Cluster, these monies in the trust are classified as non-current assets.

The above was largely off-set by depreciation and amortisation of equipment, intangible assets and right-of-use assets of RM129.3 million.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(ii) Current Assets

As at 31 March 2021, the Group's current assets amounted to RM598.2 million, representing an increase of RM244.8 million from RM353.4 million as at 30 June 2020.

Included in current assets as at 31 March 2021 is the item, other investment, amounting to RM197.3 million. The balance consists of the net proceeds from the issuance of the CRPS (both CRPS-T1 and CRPS-T2) in November 2020 (after deducting all related expenses) and income earned from investing the net proceeds into permitted investments, amounting to RM196.0 million and RM1.3 million respectively. Note that this amount may only be utilised in relation to acquisitions of and/or investments in producing oil and gas assets (whether directly or indirectly, through entities holding such assets or otherwise), as also defined in Note 18(ii) of this Quarterly Report. This item did not exist as at 30 June 2020.

The trade receivables balance increased by RM83.7 million to RM95.1 million compared to RM11.4 million as at 30 June 2020. Proceeds from the crude oil offtake at the end of March 2021 from the North Sabah asset (amounting to approximately RM81.1 million) had not been received as at 31 March 2021.

In addition, cash and bank balances increased by RM28.3 million when compared to 30 June 2020, largely due to the collection of proceeds from crude oil offtakes in both the North Sabah and Anasuria Hibiscus segments during the Current Period.

(iii) Total Liabilities

Total liabilities increased from RM1,204.8 million as at 30 June 2020 to RM1,303.9 million as at 31 March 2021.

Total contingent consideration as at 31 March 2021 of RM46.5 million relates to the increase in the Group's investment in the Marigold and Sunflower fields from 50% to 87.5%. This amount will be incurred in accordance with the terms agreed with the seller of the additional 37.5%. This balance did not exist as at 30 June 2020.

Outstanding payables for the North Sabah asset as at 31 March 2021 increased by approximately RM28.3 million compared to 30 June 2020. The increase was mainly due to amounts incurred for planned maintenance activities performed at the offshore platforms and for the St Joseph Minor and Major Sands Redevelopment project in the Current Period.

The provision for decommissioning costs balance as at 31 March 2021 was RM27.0 million higher than the balance as at 30 June 2020 due to the impact arising from the unwinding of discount on the provisions for both North Sabah and the Anasuria Cluster.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

Deferred tax liabilities have increased by RM2.9 million, while provision for taxation recognised by both SEA Hibiscus and Anasuria Hibiscus UK were higher by RM26.1 million. The higher provision for taxation was due to additional taxable income resulting from higher revenue achieved.

In November 2020, the Group recognised the liability component of the CRPS upon the issuance of the first two tranches of the CRPS in the same month. In view of the conversion of 94% of the CRPS by 31 March 2021, the balance as at 31 March 2021 amounted to RM11.0 million.

The Company has, in respect of the financial year ending 30 June 2021, declared a first interim single-tier dividend of 0.50 sen per ordinary share on 22 February 2021. The amount payable relating to this amounting to RM9.9 million was paid in April 2021, and thus was recognised as a liability as at 31 March 2021.

During the financial year ended 30 June 2020, the Group had drawn down a term loan to aid its working capital requirements. The amount outstanding as at 30 June 2020 amounted to RM49.2 million. The term loan was fully repaid in July 2020, per the agreed terms. The repayment has partially off-set the abovementioned items.

(iv) Total Equity

The Group's total equity as at 31 March 2021 increased by RM197.1 million when compared to 30 June 2020.

Share capital increased by RM189.1 million from RM765.0 million as at 30 June 2020 to RM954.0 million as at 31 March 2021 mainly as a result of the conversion of 6,600 units of CRPS-T1 and 191,972,731 units of CRPS-T2 into 399,953,153 ordinary shares in aggregate at a conversion price of RM0.66 and RM0.48 per CRPS respectively during the Current Period.

Net earnings generated by the Group during the Current Quarter, mainly driven by both the North Sabah and Anasuria assets amounted to RM54.1 million.

The Group is required to revalue the assets and liabilities of subsidiaries whose functional currencies are denominated in currencies other than MYR at each reporting date. The resulting unrealised foreign exchange differences are posted to other reserves. As at 31 March 2021, the Group had recognised the resulting unrealised adverse foreign exchange differences from this revaluation amounting to RM36.6 million due to the depreciation of USD against MYR compared to 30 June 2020.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(C) Statements of Cash Flows

(i) Cash flow from operating activities

The Group's net cash generated from operating activities for the Current Period was RM190.0 million.

It comprised mainly of net cash received from operations at the North Sabah and Anasuria assets and a refund received for overpayment of tax for the North Sabah asset.

(ii) Cash flow used in investing activities

Net cash used in investing activities during the Current Period amounted to RM308.6 million.

Total available funds relating the issuance of CRPS of RM197.2 million were invested into permitted investments in the Current Period.

In addition, amounts invested in capital expenditures by SEA Hibiscus and Anasuria Hibiscus UK during the Current Period amounted to RM89.9 million and RM24.7 million respectively.

(iii) Cash flow generated from financing activities

The net cash generated from financing activities were due to net proceeds from the issuance of CRPS of RM195.9 million in November 2020, offset by the full repayment of a term loan in July 2020 and payments of lease liabilities obligations.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER

(Note: Commentary is based on the segments classified in Part A, Note 11 of this Quarterly Report.)

Statements of Profit or Loss

(i) North Sabah

Revenue generated by SEA Hibiscus in the Current Quarter amounted to RM148.4 million, which was RM5.7 million higher than that recognised in the Preceding Quarter of RM142.7 million. This was achieved despite the lower volume of crude oil sold. In the Current Quarter, SEA Hibiscus sold 599,948 bbls of crude oil in two cargoes as compared to 870,874 bbls from three cargoes in the Preceding Quarter. The higher revenue in the Current Quarter was due to a significantly higher average realised oil price being achieved. In the Current Quarter, the average realised oil price achieved was USD60.46 per bbl while USD39.91 per bbl was realised in the Preceding Quarter.

Gross profit achieved by the segment in the Current Quarter of RM105.9 million exceeded the RM76.2 million achieved in the Preceding Quarter by RM29.7 million. The gross profit margin of 71.4% in the Current Quarter was also higher than that achieved in the Preceding Quarter of 53.4%. This was mainly due to a lower average OPEX per bbl in the Current Quarter of USD10.92 compared to USD13.29 achieved in the Preceding Quarter. In the Preceding Quarter, the North Sabah asset also incurred more costs on planned maintenance and well intervention activities.

The North Sabah asset performed better operationally in the Current Quarter compared to the Preceding Quarter. In the Current Quarter, average uptime recorded was 95% while the average net oil production rate was 6,578 bbls per day compared 92% and 6,549 bbls per day respectively in the Preceding Quarter.

The effective tax rate in the Current Quarter of 37.9% was consistent with the PITA rate. In the Preceding Quarter, the effective tax rate of 20.6% was impacted by a reversal of an overprovision of tax for the calendar year 2019 amounting to RM5.8 million.

(ii) Anasuria Hibiscus

Revenue recorded by Anasuria Hibiscus UK in the Current Quarter amounted to RM65.8 million, an increase of RM19.6 million from RM46.2 million achieved in the Preceding Quarter. The increase was due to a higher average realised oil price. Average realised oil price for the crude oil offtake in the Current Quarter was USD54.04 per bbl while in the Preceding Quarter, USD40.85 per bbl was realised. In addition, a higher volume of crude oil was sold in the Current Quarter. Anasuria Hibiscus UK sold 274,996 bbls of crude oil in the Current Quarter, 22,707 bbls more than that sold in the Preceding Quarter of 252,289 bbls.

The Anasuria Hibiscus segment achieved a gross profit of RM42.2 million in the Current Quarter as compared to that recorded in the Preceding Quarter, i.e. gross profit of RM25.7 million. Gross profit margin over revenue of 64.1% was higher compared to 55.7% achieved in the Preceding Quarter. In the Preceding Quarter, it should be noted that the Anasuria asset was impacted by the performance of scale squeeze operations at the GUA-P3 well and the reinstatement of certain equipment on the Anasuria FPSO.

A net tax expense of RM10.7 million was incurred in the Current Quarter. In the Preceding Quarter, the segment recognised a net tax credit of RM10.8 million. Net tax expense in the Current Quarter was driven by the recognition of higher income tax liabilities subsequent to a re-assessment of year-to-date income tax obligations.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER (CONT'D)

(iii) Bass Strait Cluster

During the Current Quarter, the segment recorded a LAT of RM0.5 million as compared to a PAT of RM2.3 million in the Preceding Quarter.

Results after taxation in both the Current Quarter and the Preceding Quarter were largely driven by fluctuations in unrealised foreign exchange differences arising from the quarter-end retranslation of the segment's USD-denominated payables.

(iv) Investment holding and group activities

The segment recorded a LAT of RM8.4 million in the Current Quarter as compared to a LAT of RM11.7 million in the Preceding Quarter.

Lower costs were incurred for payroll-related expenses during the Current Quarter amounting to RM2.5 million.

In addition, the segment recognised a loss on the disposal of the Rig of RM2.2 million in the Preceding Quarter, which did not recur in the Current Quarter.

The abovementioned items were partly off-set by lower net unrealised gain on foreign exchange in the Current Quarter amounting to RM2.4 million. This was mainly due to an adverse impact arising from the quarter-end revaluation of USD-denominated inter-company payables in the Current Quarter caused by the appreciation of the USD against MYR as at 31 March 2021.

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

Save as disclosed in Part A, Note 4 of this Quarterly Report on the Private Placement of CRPS, there are no corporate proposals announced but not completed as at the date of this Quarterly Report.

18 STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL(S)

(i) Warrants C

As at 24 May 2021, the Company had received proceeds of RM4,535 from the exercise of Warrants C. As the proceeds received were of a relatively small amount, the Company has no intention to utilise this amount for any specific purpose at this time.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

**18 STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL(S)
(CONT'D)**

(ii) Private Placement of CRPS

The status of the utilisation of proceeds arising from the first and second tranches of the Private Placement of CRPS of RM203,611,100 raised as at 24 May 2021, being the date of this Quarterly Report, is as follows:

Purpose	Proposed utilisation of proceeds from the Private Placement of CRPS as at 24 May 2021 RM'000	Actual utilisation as at 24 May 2021 RM'000	Intended timeframe for utilisation from the date of completion of the Private Placement of CRPS	Percentage utilised (%)
(i) Permitted utilisation ^{Note 1}	196,050	0	Within 24 months from the receipt of the proceeds	0
(ii) Estimated expenses relating to the Private Placement of CRPS	7,561	7,561	Within 6 months from the receipt of the proceeds	100
Total	203,611	7,561		

Note1:

The net proceeds (after deducting all costs and expenses relating to the Private Placement of CRPS) raised from the issuance of CRPS ("**Net Proceeds**") will be utilised in relation to acquisitions of and/or investments in producing oil and gas assets (whether directly or indirectly, through entities holding such assets or otherwise) ("**Acquisition(s)**") which will be Shariah compliant including all cost(s) related to the Acquisition(s) including purchase consideration, associated transaction costs and transition costs.

The qualifying parameters of such assets are as follows:

- (i) Payback period ⁽¹⁾: ≤5 years
- (ii) Internal rate of return ("**IRR**") ⁽²⁾: ≥12%
- (iii) Geographical location of the assets: South East Asia
- (iv) Maximum number of Acquisitions: 3

(1) *Payback period is the number of years required to achieve cash flow breakeven from the completion of the Acquisition, i.e. the number of years for the sum of the expected cash flows from the asset to equal to the total purchase consideration paid for the asset. This would be computed at the asset level based on Proved plus Probable ("**2P**") case production and cost profiles.*

(2) *IRR is the discount rate for which the net present value of the expected cash flows from asset is equal to zero. This takes into consideration the total purchase consideration paid for the asset and would be computed at the asset level based on 2P case production and cost profiles.*

(3) *The satisfaction of the qualifying parameters shall be determined by an established independent expert to be appointed by the Company to determine the satisfaction of qualifying parameters of such asset(s) prior to entering into the relevant binding primary definitive agreement for such Acquisitions.*

Any use of the Net Proceeds for transaction costs in relation to the Acquisitions and transition costs incurred up to the completion of the Acquisition shall not exceed 2.0% of the total consideration payable for the subject asset(s).

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

19 PROSPECTS OF THE GROUP

Our business performance is underpinned by several factors:

1. Price of the Brent crude oil benchmark at approximately the time of a scheduled offtake from the Anasuria FPSO and LCOT. The graph below illustrates the oil price trends for the Brent crude oil benchmark for the period April 2020 to end-April 2021:



As shown above, Brent oil prices have stabilised circa USD60.00 per bbl since the beginning of calendar year 2021, due to OPEC+ production cuts and increased demand as countries reduce restrictions enacted to combat the spread of COVID-19. The worldwide rollout of COVID-19 vaccines and countries relaxing lockdown and travel restrictions have contributed to increased oil demand, while continuing OPEC+ production cuts have ensured balanced oil markets.

2. Any premium or discount that we may receive on the price of the Brent crude oil benchmark for our specific cargo in the Anasuria Cluster and in North Sabah depending on market conditions at the relevant time.
3. Gas prices for the respective fields in the Anasuria Cluster only, as follows:
 - Cook field – at the landing point of the Fulmar Gas Line at the St Fergus Terminal for a price that is calculated as 40% of the Heren National Balancing Point index (“**Heren Index**”) and in accordance with the terms set out in the Cook gas sale and purchase agreement; and,
 - Guillemot A, Teal and Teal South fields – at the point where the gas leaves the fields and enters the SEGAL System for a price of 85% of Heren Index and in accordance with the terms set out in the Anasuria gas sale and purchase agreement.
4. Movement of foreign exchange rates, mainly:
 - USD vs RM:
 - as our revenues from the Anasuria and North Sabah assets are secured in USD;
 - as the base currency used for the Anasuria and North Sabah assets valuations is in USD; and,
 - as the majority of our operating costs in North Sabah are incurred in RM.
 - GBP vs USD:
 - as the majority of our operating costs for the Anasuria asset are incurred in GBP.

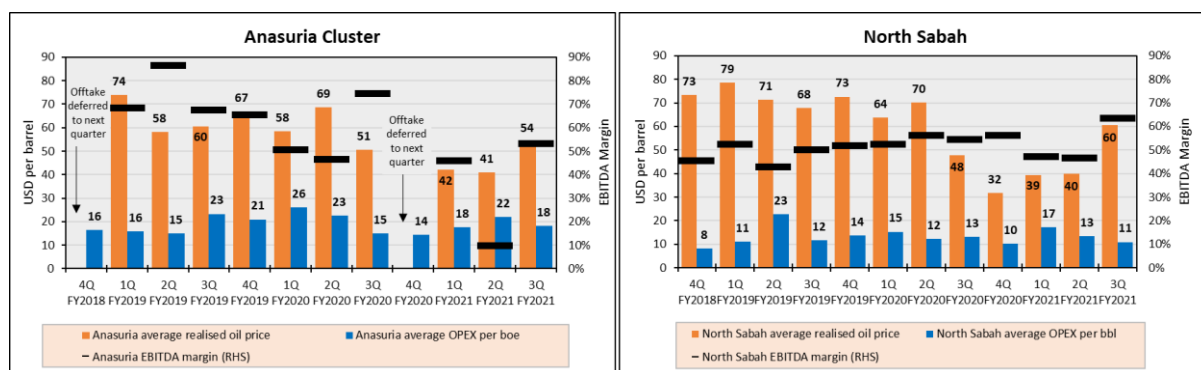
HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

19 PROSPECTS OF THE GROUP (CONT'D)

5. Operational performance of the Anasuria and North Sabah assets, more specifically:
 - Production performance of the wells; and,
 - Facilities availability.
6. Management of operational expenses for the Anasuria and North Sabah assets and general corporate overheads.

As the joint operator of the Anasuria Cluster and the operator of the North Sabah oilfields, the Group continuously focuses on optimising asset performance, but it is equally important to note (from the information provided above) that our performance is impacted daily by external macroeconomic factors over which we exert minimal control.

The Group has seen oil prices at various price levels, on some occasions lower and other times, higher than at the current time, but the Group has managed to remain profitable throughout these fluctuations. This is primarily because our average unit production costs for both the Anasuria and North Sabah assets have been below the average realised oil price at the relevant times, as shown in the charts below. The careful management of costs to maintain low operational expenditure and the successful execution of production enhancement projects are, therefore, key towards achieving low unit production costs and the delivery of a continued healthy EBITDA.



Note: North Sabah's EBITDA margins in 4Q of the financial year ended 30 June 2018 and 4Q of the financial year ended 30 June 2020 exclude the impact of negative goodwill of RM93.8 million and the reversal of unrecovered recoverable costs of RM78.2 million respectively.

Hibiscus Petroleum activated various measures to mitigate the effects of soft oil prices over the calendar year 2020. Some of these measures involved the deferral of non-safety critical OPEX related activities.

In the calendar year 2021, some of these activities may be reinstated into our work program to ensure smooth future operations.

The planned 29-day offshore turnaround of the Anasuria FPSO ("**2021 Offshore Turnaround**") commenced in April 2021. The 2021 Offshore Turnaround is intended to improve the reliability and integrity of the Anasuria FPSO as well as to ensure a safe offshore working environment. As of the date of this Quarterly Report, the 2021 Offshore Turnaround has been completed and the facility is gradually being brought back online.

19 PROSPECTS OF THE GROUP (CONT'D)

In the process of bringing the Anasuria FPSO back to full production, several anomalies were identified on an important component of the subsea infrastructure, which required it to be isolated from the production system. Whilst this will result in lower overall production from the Anasuria asset until this component is replaced, the targeted offtake volume for the calendar year 2021 is not expected to be materially impacted. Several options to replace the component are being evaluated, and further disclosures will be made as required.

A total of 874,944 bbls of crude oil were sold in the Current Quarter. Three offtakes were conducted in total; two in North Sabah and one in the Anasuria Cluster. Crude oil production in the Current Quarter remained unaffected by government-imposed movement restrictions.

In the final quarter of the financial year ending 30 June 2021, we expect to be able to deliver a further three offtakes (one from the Anasuria Cluster and a further two cargoes from North Sabah).

In pursuit of business growth, we are continuing to work on potential merger and acquisition opportunities, focusing on producing assets in the Southeast Asia region.

Overall, we are cognisant of various uncertainties caused by the continuing COVID-19 pandemic but we remain focused delivering optimal performance in an improving oil price environment.

20 PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents.

21 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties during the Current Period.

22 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities during the Current Period.

23 FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

There were no financial instruments with material off-balance sheet risk as at the date of this Quarterly Report.

24 MATERIAL LITIGATION

There was no material litigation as at the date of this Quarterly Report. For completeness, please also refer to Part A, Note 11 of this Quarterly Report.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

25 DIVIDEND

The Board has, in respect of the financial year ending 30 June 2021, declared a first interim single-tier dividend of 0.50 sen per ordinary share.

The dividend has been paid on 8 April 2021 to shareholders of ordinary shares whose names appeared on the Record of Depositors on 9 March 2021.

No dividend was declared in the corresponding nine-month period ended 31 March 2020.

26 EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial quarter/period.

Diluted earnings per share is determined by dividing the Group's profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue adjusted for the effects of all dilutive potential ordinary shares during the financial quarter/period.

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit after taxation attributable to owners of the Company (RM'000)	(A)	32,029	28,465	54,078	95,941
Weighted average number of shares for basic earnings per share computation ('000)	(B)	1,817,196	1,588,229	1,675,789	1,588,229
Effects of dilution of Warrants C ('000)		-	-	-	-
Effects of dilution of CRPS ('000)		195,214	-	118,337	-
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	2,012,410	1,588,229	1,794,126	1,588,229
Basic earnings per share (sen)	(A/B)	1.76	1.79	3.23	6.04
Diluted earnings per share (sen)	(A/C)	1.59	1.79	3.01	6.04

27 OTHER INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Sundry income	7,013	(402)	13,168	445
Interest income	101	201	308	656
Realised gain on foreign exchange #	-	1,176	-	-
Fair value changes on other investment	88	-	88	-
	7,202	975	13,564	1,101

The realised foreign exchange gain is not derived from the trading of futures contracts nor futures foreign exchange trading.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

28 PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	45,305	34,048	129,307	104,222
Finance costs	12,149	10,973	31,930	30,272
Loss on disposal of equipment	26	-	2,209	-
Share of results of an associate	103	108	962	269
Fair value changes on other investment	(88)	-	(88)	-
Interest income	(979)	(211)	(1,566)	(697)
Reversal of contingent consideration	10	-	(2,329)	-
Unrealised loss on foreign exchange ##	2,564	755	7,323	7,009
Realised loss/(gain) on foreign exchange ##	1,076	(1,176)	1,856	1,715
Impairment of investment in an associate	-	808	-	808
Impairment of receivables	-	2,618	-	2,618
Write-off of fixed assets	-	21	-	21

The unrealised and realised gains/losses on foreign exchange have neither been derived from the trading of futures contracts nor futures foreign exchange trading.

Other than as presented in the Condensed Consolidated Statements of Profit or Loss, and as disclosed above, there were no other income, interest expense, provision for and write-off of receivables or inventories, gain/loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain/loss on derivatives, and other exceptional items for the Current Period.

29 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Income taxation	(35,428)	(14,178)	(17,960)	(8,902)
Deferred taxation	2,494	(7,062)	(17,607)	(74,757)
	(32,934)	(21,240)	(35,567)	(83,659)

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

29 TAXATION (CONT'D)

Breakdown by operating segments:

OPERATING SEGMENTS	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
North Sabah				
Income taxation	(30,515)	(18,220)	(12,793)	(5,271)
Deferred taxation	8,092	(94)	(23,860)	(65,925)
Total	(22,423)	(18,314)	(36,653)	(71,196)
Anasuria Hibiscus				
Income taxation	(4,913)	4,042	(5,167)	(3,631)
Deferred taxation	(5,755)	(6,968)	5,964	(8,832)
Total	(10,668)	(2,926)	797	(12,463)
Bass Strait Cluster				
Income taxation	-	-	-	-
Deferred taxation	-	-	-	-
Total	-	-	-	-
Investment holding and group activities				
Income taxation	-	-	-	-
Deferred taxation	157	-	289	-
Total	157	-	289	-
Group				
Income taxation	(35,428)	(14,178)	(17,960)	(8,902)
Deferred taxation	2,494	(7,062)	(17,607)	(74,757)
Total	(32,934)	(21,240)	(35,567)	(83,659)

Income Taxation

• North Sabah

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to SEA Hibiscus, is PITA. The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%.

• Anasuria Hibiscus

The tax regime which applies to exploration for, and production of, oil and gas in the UK, and is thus applicable to Anasuria Hibiscus UK, currently comprises of ring fence corporation tax and a supplementary charge. The current rates of tax for ring fence corporation tax and supplementary charge are set at 30.0% and 10.0% respectively.

HIBISCUS PETROLEUM BERHAD
(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2021

29 TAXATION (CONT'D)

Deferred taxation

Deferred tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities recognised upon completion of a business combination are in relation to temporary differences in the tax base of intangible assets (i.e. rights and concession) acquired and their accounting base. This balance is non-cash and will reverse in line with the depletion of the said intangible assets. The reversal of the deferred tax liabilities will result in a tax credit being recorded in the profit or loss account.

30 BORROWINGS

Details of borrowings as at 31 March 2021 were as follows:

	As at 31.03.2021 RM'000	As at 30.06.2020 RM'000
<u>Non-current</u>		
<u>Secured</u> Lease liabilities	10,687	14,401
<u>Current</u>		
<u>Secured</u> Lease liabilities	9,929	10,667
<u>Unsecured</u> Term loan	-	49,197
	9,929	59,864
	20,616	74,265

Save for the repayment of the term loan, there were no other material changes to borrowings during the Current Period.

By Order of the Board of Directors
Hibiscus Petroleum Berhad
24 May 2021