HIBISCUS PETROLEUM BERHAD

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

Unaudited Quarterly Financial Report 31 December 2023

(Second financial quarter of financial year ending 30 June 2024)

(Note: This Unaudited Quarterly Financial Report is supplemented by the Corporate and Business Update released on the same day, on 20 February 2024.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER QUARTER ENDED 31.12.2023 RM'000	 QUARTER ENDED 31.12.2022 RM'000	CUMULATIVE QUARTER PERIOD ENDED 31.12.2023 RM'000	 PERIOD ENDED 31.12.2022 RM'000
Revenue		627,550	713,126	1,374,174	1,317,894
Cost of sales		(222,943)	(272,507)	(496,925)	(489,873)
GROSS PROFIT		404,607	440,619	877,249	828,021
Other income	26	15,722	7,802	24,962	16,778
Administrative expenses		(73,233)	(88,488)	(140,668)	(187,230)
Supplemental payments		(29,500)	(65,591)	(55,354)	(136,030)
Other administrative expenses		(43,733)	(22,897)	(85,314)	(51,200)
Other expenses		(145,684)	(131,616)	(274,198)	(226,722)
Finance costs		(27,579)	(19,503)	(54,211)	(36,492)
Share of results of an associate		(157)	(125)	(288)	(252)
PROFIT BEFORE TAXATION	27	173,676	208,689	432,846	394,103
Taxation	28	(71,341)	(138,220)	(176,213)	(188,372)
PROFIT AFTER TAXATION		102,335	70,469	256,633	205,731
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
- Owners of the Company		102,335	70,469	256,633	205,731
EARNINGS PER SHARE (SEN)					
Basic	25	12.72	8.75*	31.89	25.56*
Diluted	25	12.72	8.75*	31.89	25.56*

* *For comparative purpose, in accordance with the provisions of Malaysian Financial Reporting Standard 133: Earnings per Share, the basic and diluted earnings per shares for the preceding year's corresponding quarter and period had been adjusted to reflect the effect of the share consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023 (please refer to Part A, Note 4(i) of this Quarterly Report for further details).*

Note:

Earnings Before Interest, Taxes, Depreciation and Amortisation	325,294	353,282	718,265	651,635

(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 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2023 RM'000	QUARTER ENDED 31.12.2022 RM'000	PERIOD ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2022 RM'000
PROFIT AFTER TAXATION	102,335	70,469	256,633	205,731
Other comprehensive expenses:				
Item that may be subsequently reclassified to profit or loss:				
- Foreign currency translation**	(62,925)	(113,173)	(44,820)	(2,349)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE QUARTER/PERIOD	39,410	(42,704)	211,813	203,382
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:				
- Owners of the Company	39,410	(42,704)	211,813	203,382

** *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 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2023 RM'000	AUDITED AS AT 30.06.2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		1,442,282	1,452,069
Equipment		2,220,891	2,024,457
Right-of-use assets		128,273	158,106
Other receivables		146,174	178,802
Investment in an associate		4,658	4,902
Restricted cash and bank balances		235,282	219,012
Tax recoverable		52,557	53,425
Deferred tax assets		104	16,811
		4,230,221	4,107,584
CURRENT ASSETS			
Intangible assets		5,866	8,854
Inventories		199,976	198,628
Trade receivables		480,942	411,381
Other receivables, deposits and prepayments		503,681	493,579
Amount owing by a joint venture		-	339
Cash and bank balances		931,531	959,659
Tax recoverable		10,217	18,504
		2,132,213	2,090,944
TOTAL ASSETS		6,362,434	6,198,528
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	166,014	166,014
Treasury shares		(4,644)	-
Other reserves		264,110	308,930
Retained earnings		2,435,255	2,214,815
		2,860,735	2,689,759
NON-CURRENT LIABILITIES			
Other payables		4,388	4,303
Borrowings	29	542,537	647,742
Contingent consideration		42,804	43,372
Deferred tax liabilities		817,593	792,973
Provision for decommissioning costs		600,873	617,125
		2,008,195	2,105,515

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 2023 and the accompanying explanatory notes attached to the financial statements.

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

	Note	UNAUDITED AS AT 31.12.2023 RM'000	AUDITED AS AT 30.06.2023 RM'000
CURRENT LIABILITIES			
Trade payables		27,166	38,299
Other payables and accruals		987,833	863,292
Borrowings	29	193,330	214,752
Amount owing to a joint venture		1	319
Contingent consideration		13,968	7,574
Provision for decommissioning costs		66,144	56,291
Provision for taxation		205,062	222,508
Redeemable Convertible Preference Shares		-	219
		1,493,504	1,403,254
TOTAL LIABILITIES		3,501,699	3,508,769
TOTAL EQUITY AND LIABILITIES		6,362,434	6,198,528
NET ASSETS PER SHARE (RM)		3.56	3.34***

*** *For comparative purpose, the net assets per share as at 30 June 2023 had been adjusted to reflect the effect of share consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023 (please refer to Part A, Note 4(i) of this Quarterly Report for further details).*

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 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----------------------	NON-DISTRIBUTABLE		---------------------->		
	SHARE CAPITAL RM'000	**TREASURY SHARES RM'000**	**OTHER RESERVES RM'000**	**FOREIGN EXCHANGE RESERVE RM'000**	**RETAINED EARNINGS RM'000**	**TOTAL RM'000**
6 months to 31.12.2023						
As at 01.07.2023	166,014	-	389	308,541	2,214,815	2,689,759
Profit after taxation	-	-	-	-	256,633	256,633
Other comprehensive expenses, net of tax: - Foreign currency translation	-	-	-	(44,820)	-	(44,820)
Total comprehensive (expenses)/income for the period	-	-	-	(44,820)	256,633	211,813
Dividends	-	-	-	-	(36,174)	(36,174)
Purchase of treasury shares	-	(4,644)	-	-	(19)	(4,663)
Total transactions with owners of the Company	-	(4,644)	-	-	(36,193)	(40,837)
As at 31.12.2023	166,014	(4,644)	389	263,721	2,435,255	2,860,735
6 months to 31.12.2022						
As at 01.07.2022	966,014	-	389	171,007	1,064,607	2,202,017
Profit after taxation	-	-	-	-	205,731	205,731
Other comprehensive expenses, net of tax: - Foreign currency translation	-	-	-	(2,349)	-	(2,349)
Total comprehensive (expenses)/income for the period	-	-	-	(2,349)	205,731	203,382
Dividend	-	-	-	-	(20,124)	(20,124)
Total transactions with owners of the Company	-	-	-	-	(20,124)	(20,124)
As at 31.12.2022	966,014	-	389	168,658	1,250,214	2,385,275

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 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	31.12.2023	**31.12.2022**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	432,846	394,103
Adjustments for:		
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	231,208	221,040
Finance costs	54,211	36,492
Unrealised loss on foreign exchange	13,305	15,291
Share of results of an associate	288	252
Write-back of amount owing to a joint venture	(45)	-
Interest income	(29,803)	(2,602)
Operating profit before working capital changes	702,010	664,576
Inventories	(4,614)	6,907
Trade receivables	(76,848)	(6,479)
Other receivables, deposits and prepayments	19,011	(49,283)
Trade payables	(10,630)	15,828
Other payables and accruals	81,087	(161,784)
Amount owing by an associate	-	10
Amount owing to an associate	-	18
Cash generated from operating activities	710,016	469,793
Tax paid	(126,393)	(138,636)
Movement in restricted cash and bank balances	(24,272)	(8,098)
Net cash generated from operating activities	559,351	323,059
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	29,803	2,602
Acquisition of intangible assets	(43,093)	(55,977)
Purchase of equipment	(386,654)	(171,020)
Net cash used in investing activities	(399,944)	(224,395)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(82,073)	(84,252)
Repayment of term loan	(46,032)	-
Repayment of revolving credit	-	(123,236)
Drawdown of revolving credit	-	45,642
Drawdown of term loan	-	77,493
Dividends paid	(25,155)	(20,124)
Interest paid	(20,868)	(1,947)
Purchase of treasury shares	(4,663)	-
Redemption of Redeemable Convertible Preference Shares	(219)	-
Net cash used in financing activities	(179,010)	(106,424)
Net decrease in cash and cash equivalents	(19,603)	(7,760)
Effects of foreign exchange rate changes	(14,117)	(5,065)
Cash and cash equivalents at beginning of the financial period	925,630	544,779
Cash and cash equivalents at end of the financial period	891,910	531,954

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Period Ended	
	31.12.2023	**31.12.2022**
	RM'000	**RM'000**
Cash and bank balances in the Consolidated Statements of Financial Position are as follows:		
<u>Non-current</u>		
Restricted cash and bank balances****	235,282	168,967
<u>Current</u>		
Cash and bank balances	931,531	533,676
Less: Restricted cash and bank balances*****	(39,621)	(1,722)
Cash and cash equivalents	891,910	531,954

**** *Anasuria Hibiscus UK Limited 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.*

***** *The balances consist of the following:*

- *31 December 2023*
  - *Asia Hibiscus Sdn. Bhd. – As part of the term loan covenants, Asia Hibiscus Sdn. Bhd. is required to maintain a minimum amount of principal and interest payable for the next three months into a designated bank account. The amount as at 31 December 2023 was equivalent to RM34.1 million.*
  - *Anasuria Hibiscus UK Limited – An amount equivalent to RM5.5 million was deposited into an escrow account held by Anasuria Hibiscus UK Limited relating to the acquisition of 42.5% interest in Licence No. P2451 (containing the Fyne undeveloped field), which will be paid to Rapid Oil Production Ltd upon the approval of the Concept Select Report by the North Sea Transition Authority.*
- *31 December 2022*
  - *Asia Hibiscus Sdn. Bhd. – As part of the term loan covenants, Asia Hibiscus Sdn. Bhd. is required to maintain a minimum amount of principal and interest payable for the next three months into a designated bank account. The amount as at 31 December 2022 was equivalent to RM1.7 million.*

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

ABBREVIATIONS AND ACRONYMS

The following table describes the abbreviations and acronyms used throughout the Quarterly Report.

Abbreviation	Description
3D Oil	3D Energi Limited (formerly known as 3D Oil Limited)
Act	Companies Act, 2016
Anasuria Operating Company	Anasuria Operating Company Limited
Anasuria FPSO	Anasuria floating production storage and offloading vessel
Anasuria Hibiscus UK	Anasuria Hibiscus UK Limited
AIAC	Asian International Arbitration Centre
AUD	Australian Dollar
bbl	Barrel
Block 46	Block 46 Cai Nuoc PSC
boe	Barrel of oil equivalent
Bursa Securities	Bursa Malaysia Securities Berhad
CAA	Commercial Arrangement Area
CAPEX	Capital expenditure
Current Period	Six-month financial period ended 31 December 2023
Current Quarter	Financial quarter ended 31 December 2023
Current Year	Financial year ending 30 June 2024
CY	Calendar year
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Entitlement Date	Entitlement date and time for the Share Consolidation, on 19 October 2023 at 5.00 p.m.
EPL	Energy Profits Levy
EPS	Earnings per share
ETR	Effective tax rate
FIPC	Fortuna International Petroleum Corporation
FIPC Acquisition	Acquisition of the entire equity interest in FIPC
FPSO	Floating production storage and offloading vessel
FSO	Floating storage and offloading
GBP	Great Britain Pound
GP	Gross profit
Heren Index	Heren National Balancing Point index
Hibiscus Integrated	Hibiscus Integrated Production Services Sdn. Bhd.
Hibiscus Oil & Gas	Hibiscus Oil & Gas Malaysia Limited
HIREX	HiRex Petroleum Sdn. Bhd.
IRB	Inland Revenue Board of Malaysia
Kinabalu	2012 Kinabalu Oil PSC
LAT	Loss after taxation
LBITDA	Losses before interest, taxes, depreciation and amortisation
LBT	Loss before taxation
LCOT	Labuan Crude Oil Terminal
MFRS	Malaysian Financial Reporting Standard
MMboe	Million barrel of oil equivalent
MMLR	Main Market Listing Requirements
MMscf	Million standard cubic feet
North Sabah	2011 North Sabah Enhanced Oil Recovery Production Sharing Contract
Notice	Notice to Arbitrate
NSTA	North Sea Transition Authority

ABBREVIATIONS AND ACRONYMS (CONT'D)

The following table describes the abbreviations and acronyms used throughout the Quarterly Report. (Cont'd)

Abbreviation	Description
Oceancare	Oceancare Corporation Sdn Bhd
OPEX	Operating costs
OPRED	Offshore Petroleum Regulator for Environment & Decommissioning
PAT	Profit after taxation
PBT	Profit before taxation
Peninsula Hibiscus Group	Peninsula Hibiscus Sdn. Bhd. and its subsidiaries
Ping Petroleum	Ping Petroleum UK PLC
PITA	Petroleum (Income Tax) Act 1967
PM3 CAA	PM3 CAA PSC
PM305 and PM314	PM305 and PM314 PSCs
Preceding Quarter	Financial quarter ended 30 September 2023
Preceding Year	Financial year ended 30 June 2023
PSC	Production Sharing Contract
Rapid Oil	Rapid Oil Production Ltd
RCPS	Redeemable Convertible Preference Shares
Repsol	Repsol Exploración, S.A.
RFCT	Ring fence corporation tax
SbST	Sabah State Sales Tax
scf	Standard cubic feet
SEA Hibiscus	SEA Hibiscus Sdn. Bhd.
SC	Supplementary charge
Share Consolidation	Consolidation of the issued share capital of the Company
STOOIP	Stock tank oil initially in place
UK	United Kingdom
USD	United States Dollar
VIC/RL17	VIC/RL17 Petroleum Retention Lease
YA	Year of Assessment

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 MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the MMLR of Bursa Securities and should be read in conjunction with the Group's audited financial statements for the Preceding Year 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 Preceding Year.

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 Preceding Year.

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 2023:

Amendments to MFRS 101	*Disclosure of Accounting Policies*
Amendments to MFRS 108	*Definition of Accounting Estimates*
Amendments to MFRS 112	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to MFRS Practice Statement 2	*Disclosure of Accounting Policies*

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.

2.2 Amendments to Standards issued but not yet effective

Description		**Effective for financial periods beginning on or after**
Amendments to MFRS 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7	*Supplier Finance Arrangements*	1 January 2024

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group will adopt the above 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 amendments to existing standards.

3 SEASONAL OR CYCLICAL FACTORS

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

4 SIGNIFICANT/UNUSUAL ITEMS

Saved 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 Current Period.

(i) Share Consolidation

- Share Capital

  As of the Entitlement Date, the share capital of the Company was consolidated based on every five shares of the Company into two consolidated shares, resulting in 804,967,428 number of issued consolidated ordinary shares from the previous 2,012,418,743 number of issued ordinary shares.

  The consolidated shares were listed and quoted on the Main Market of Bursa Securities on 20 October 2023, and the Share Consolidation was successfully completed on the same date.

  Please refer to our announcements dated 23 August 2023, 24 August 2023, 5 September 2023, 19 October 2023 and 20 October 2023 for further details.

- EPS

  The Share Consolidation does not have any effect on the Group's profit after taxation attributable to the owner of the Company for the Current Period. However, pursuant to the Share Consolidation and all things being equal, there would be an increase in the Group's EPS as a result of the reduced number of ordinary shares in issue.

  For comparative purpose, in accordance with the provisions of MFRS 133: Earnings per Share, the basic and diluted EPS for the Preceding Year's corresponding quarter and period had been adjusted to reflect the effect of the Share Consolidation.

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

		BEFORE SHARE CONSOLIDATION		AFTER SHARE CONSOLIDATION	
		QUARTER ENDED 31.12.2022 (Reported)	PERIOD ENDED 31.12.2022 (Reported)	QUARTER ENDED 31.12.2022 (Adjusted)	PERIOD ENDED 31.12.2022 (Adjusted)
Profit after taxation attributable to owners of the Company (RM'000)	(A)	70,469	205,731	70,469	205,731
Weighted average number of shares for basic earnings per share computation ('000)	(B)	2,012,419	2,012,419	804,967	804,967
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	2,012,419	2,012,419	804,967	804,967
Basic EPS (sen)	(A/B)	3.50	10.22	8.75	25.56
Diluted EPS (sen)	(A/C)	3.50	10.22	8.75	25.56

- Net assets per share

The Share Consolidation does not have effect on the Group's shareholders' funds for the Current Period. However, pursuant to the Share Consolidation and all things being equal, there would be an increase in the Group's net assets per share as a result of the reduced number of ordinary shares in issue.

For comparative purpose, the net assets per share as at 30 June 2023 had been adjusted to reflect the effect of the Share Consolidation.

		AS AT 30.06.2023 (Audited)	AS AT 30.06.2023 (Adjusted)
Shareholders' funds (RM'000)	(A)	2,689,759	2,689,759
Number of shares in issue ('000)	(B)	2,012,419	804,967
Net assets per share (sen)	(A/B)	1.34	3.34

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

(ii) Acquisition of Interest in Licence No. P2451

On 30 August 2023, Anasuria Hibiscus UK and Ping Petroleum each entered into a separate but identical Farm-in Agreement with Rapid Oil. Under the terms of each Farm-in Agreement, Anasuria Hibiscus UK and Ping Petroleum shall separately acquire 42.5% equity interest each in Licence No. P2451, with the balance 15.0% equity interest to remain with Rapid Oil.

Licence No. P2451 holds an undeveloped oil field, the Fyne Field, located in the Central North Sea, UK, with an estimated 75 MMboe STOOIP. Upon completion of the Farm In on 20 November 2023, Anasuria Hibiscus UK was appointed operator of the field development. On completion of the deal, a licence extension was applied for with the NSTA on 27 December 2023. Subject to NSTA's approval for the licence extension, first oil is expected in 2026, whereupon Anasuria Operating Company (equally owned by Anasuria Hibiscus UK and Ping Petroleum) will take over as operator of the Fyne production from Anasuria Hibiscus UK.

The Fyne Field has a water depth of about 90 metres. As it is approximately 20 kilometres from the Anasuria FPSO, the plan is to tie-back a single well development to the Anasuria FPSO. The addition of the Fyne Field is expected to increase the value and extend the field life of the existing Anasuria Cluster asset.

Please refer to our announcements dated 1 September 2023, 13 October 2023 and 21 November 2023 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 PERIOD

Saved as disclosed below, there were no other material events subsequent to the end of the Current Period up to the date of this Quarterly Report.

Deed of Variation Pertaining to Licence No. P2518

Anasuria Hibiscus UK was awarded Block 15/17a and Block 15/12a under Licence No. P2518 on 3 September 2020 and 30 October 2023 respectively. These blocks are located 8 kilometres from the Marigold West field and contain the Kildrummy discovery.

On 30 January 2024, Anasuria Hibiscus UK signed a Deed of Variation for Licence No. P2518 with the NSTA to merge Block 15/17a and Block 15/12a into one single block.

Please refer to our announcements dated 3 September 2020, 20 January 2021, 3 February 2021, 30 October 2023 and 2 February 2024 for further details.

7 CHANGES IN THE COMPOSITION OF THE GROUP

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

On 13 September 2023, Hibiscus Integrated was incorporated under the Act with an issued and paid-up share capital of 2 ordinary shares of RM1.00 each. Hibiscus Integrated was established as a wholly-owned subsidiary of Hibiscus Technical Services Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company.

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 profit or loss, or the net assets value of the Group.

9 DIVIDENDS PAID

The amount of dividends paid by the Company in the Current Period are as follows:

	RM '000
<u>In respect of the Preceding Year</u>	
Second interim single-tier dividend of 0.75 sen[(1)] per ordinary share, paid on 21 July 2023	15,093
Third interim single-tier dividend of 0.50 sen[(1)] per ordinary share, paid on 20 October 2023	10,062
	25,155

[(1)] *For information, the above interim single-tier dividends were declared before the effect of the Share Consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023. Please refer to Part A, Note 4(i) of this Quarterly Report for further details.*

10 DEBT AND EQUITY SECURITIES

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

(i) <u>Share Consolidation</u>

<u>Share capital</u>	**PERIOD ENDED 31.12.2023**	
	Number of shares	**Share capital RM'000**
ORDINARY SHARES		
As at 01.07.2023	2,012,418,743	166,014
Share Consolidation	(1,207,451,315)	-
As at 31.12.2023	804,967,428	166,014

10 DEBT AND EQUITY SECURITIES (CONT'D)

The Company completed the Share Consolidation exercise on 20 October 2023. As of the Entitlement Date, the Company's total numbers of issued ordinary shares were consolidated into 804,967,428 number of issued ordinary shares from the previous 2,012,418,743 number of issued ordinary shares. The Company's issued share capital remained unchanged.

Please refer to Part A, Note 4(i) of this Quarterly Report for further details on the Share Consolidation exercise.

(ii) Share Buy-Back

On 5 December 2023, the shareholders approved the renewal of the share buy-back authority for the Company to purchase its own shares of up to 10% of the total number of issued ordinary shares of the Company. The mandate is valid until the next Annual General Meeting or earlier if the shareholders passed an ordinary resolution in a general meeting.

During the Current Period, the Company repurchased 1,850,000 of its issued ordinary shares from open market on Bursa Securities. The shares repurchased which amounted to RM4,643,630 are currently held as treasury shares and presented as a deduction from equity in the Consolidated Statements of Financial Position.

(iii) Redemption of RCPS

On 10 November 2023, 2,193,880 RCPS were fully redeemed by the RCPS holder at the redemption price of RM0.10 per RCPS.

11 OPERATING SEGMENTS

Operating results are segmented respect of the Group's business activities. At the end of the Current Period, the Group has activities in the following principal areas[(2)]:

(i) Malaysia – North Sabah

Group's investment in its 50% participating interest in North Sabah, located off the coast of Sabah, Malaysia. The investment 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), existing pipeline infrastructure, the LCOT and all other equipment and assets relating to the PSC.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6497 and 4.5975 respectively.

(ii) Malaysia – Kinabalu and Others

Group's investments and operations in Kinabalu, PM305 and PM314.

Kinabalu
- Group's investment in its 60% participating interest in Kinabalu, located off the coast of Sabah, Malaysia.

PM305
- Group's investment in its 60% participating interest in PM305, located off the eastern coast of Peninsular Malaysia in the Malay Basin.

PM314
- Group's investment in its 60% participating interest in PM314, located off the eastern coast of Peninsular Malaysia in the Malay Basin.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6497 and 4.5975 respectively.

11 OPERATING SEGMENTS (CONT'D)

(iii) Commercial Arrangement Area

Group's investment in its 35% participating interest in PM3 CAA, located within the Commercial Arrangement Area between Malaysia and Vietnam. The investment includes the management of the operations relating to the production of petroleum from seven existing oil fields (namely Bunga Orkid, Bunga Pakma, Bunga Lavatera, Bunga Kekwa, Bunga Raya, Bunga Seroja and Bunga Tulip).

The segment's functional currency Is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6497 and 4.5975 respectively.

(iv) United Kingdom

Group's investments and operations in the UK, consisting of (i) the Anasuria Area and (ii) the Marigold Area, all located offshore in the UK Continental Shelf.

Anasuria Area

(a) Anasuria Cluster
- Group's investment in its:
  - (i) 50% jointly operated interest in the Licence No. P013 (Blocks 21/25a and 21/30a) containing the Guillemot A, Teal and Teal South producing fields,
  - (ii) 19.3% non-operated interests in the Licence No. P185 (Block 21/20a) containing the Cook producing field,
  - (iii) 50% interest in the Anasuria FPSO, and
  - (iv) 50% interest in Anasuria Operating Company.

(b) Licence No. P2532
- Group's investment in its 19.3% interest in Licence No. P2532 (Blocks 21/19c and 21/20c) containing the Cook West and Cook North field extensions.

(c) Licence No. P2535
- Group's investment in its 100% interest in Licence No. P2535 (Block 21/24d) containing the Teal West discovered field.

(d) Licence No. P2451
- Group's investment in its 42.5% interest in Licence No. P2451 containing the Fyne undeveloped field.

Marigold Area

(a) Marigold West and Sunflower fields
- Group's investment in its 87.5% interest in two blocks under Licence No. P198; (i) Block 15/13a, containing the Marigold West discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production.

(b) Licence No. P2518
- Group's investment in its 100% interest in Licence No. P2518 (Block 15/17a) containing the Kildrummy discovered field.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6497 and 4.5975 respectively.

11 OPERATING SEGMENTS (CONT'D)

(v)	Australia	Group's operations in VIC/RL17 for the West Seahorse field and investment in 3D Oil. The segment's functional currency is the AUD. The average and closing rates adopted for conversion to RM in the Current Period are 3.0529 and 3.1347 respectively.
(vi)	Vietnam	Group's investment in its 70% interest in Block 46, a tie-back asset to PM3 CAA located in Vietnamese waters. Block 46 contains the producing Cai Nuoc field and the undeveloped Hoa Mai field. The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6497 and 4.5975 respectively.
(vii)	Investment holding and group activities	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.

(2) *The Directors have fully impaired the Group's investment in HIREX. Therefore, HIREX is no longer relevant for inclusion in this section. HIREX was dissolved with effect from 6 October 2023, pursuant to the Act.*

11 OPERATING SEGMENTS (CONT'D)

	Malaysia – North Sabah RM'000	Malaysia – Kinabalu and Others RM'000	Commercial Arrangement Area RM'000	United Kingdom RM'000	Vietnam RM'000	Australia RM'000	Investment holding and group activities RM'000	Group RM'000
As at 31.12.2023								
Non-current assets	764,266	674,988	994,039	1,774,176	15,099	4,658	2,995	4,230,221
Included in the segment assets is:								
Investment in an associate	-	-	-	-	-	4,658	-	4,658
Additions to non-current assets	166,532	188,026	19,138	94,959	1,151	-	65	469,871
Period ended 31.12.2023								
Project management, technical and other service fees	-	-	-	-	-	-	3,761	3,761
Sales of crude oil and gas	399,395	291,885	497,084	175,291	-	-	-	1,363,655
Interest income	-	-	-	-	-	-	6,758	6,758
Revenue	399,395	291,885	497,084	175,291	-	-	10,519	1,374,174
Depreciation and amortisation	(33,884)	(44,087)	(115,140)	(35,501)	(1,934)	-	(662)	(231,208)
Profit/(loss) from operations	132,316	118,954	177,927	60,480	(2,696)	510	(23,191)	464,300
Share of results of an associate	-	-	-	-	-	(288)	-	(288)
Finance costs	(6,962)	(1,399)	(9,395)	(15,104)	(314)	(155)	(20,882)	(54,211)
Interest income	5,412	1,700	7,318	8,042	262	-	311	23,045
Taxation	(53,453)	(46,660)	(58,460)	(15,606)	632	-	(2,666)	(176,213)
PAT/(LAT)	77,313	72,595	117,390	37,812	(2,116)	67	(46,428)	256,633
EBITDA/(LBITDA)	171,612	164,741	300,385	104,023	(500)	222	(22,218)	718,265

11 OPERATING SEGMENTS (CONT'D)

	Malaysia – North Sabah RM'000	Malaysia – Kinabalu and Others RM'000	Commercial Arrangement Area RM'000	United Kingdom RM'000	Vietnam RM'000	Australia RM'000	Investment holding and group activities RM'000	Group RM'000
As at 31.12.2022								
Non-current assets	648,187	540,879	1,133,209	1,603,855	16,082	3,801	2,614	3,948,627
Included in the segment assets is:								
Investment in an associate	-	-	-	-	-	3,801	-	3,801
Additions to non-current assets	43,628	35,527	100,000	97,401	-	-	101	276,657
Period ended 31.12.2022								
Project management, technical and other service fees	-	-	-	-	-	-	2,131	2,131
Sales of crude oil and gas	385,551	303,058	373,227	187,008	66,898	-	-	1,315,742
Interest income	-	-	-	-	-	-	21	21
Revenue	385,551	303,058	373,227	187,008	66,898	-	2,152	1,317,894
Depreciation and amortisation	(65,253)	(37,385)	(84,777)	(30,963)	(1,988)	-	(674)	(221,040)
Profit/(loss) from operations	87,009	105,112	143,393	103,373	5,382	(754)	(15,249)	428,266
Share of results of an associate	-	-	-	-	-	(252)	-	(252)
Finance costs	(7,328)	495[3]	(10,980)	(13,354)	(215)	-	(5,110)	(36,492)
Interest income	61	223	131	2,158	1	-	7	2,581
Taxation	(32,174)	(42,650)	42,058	(145,365)	(10,241)	-	-	(188,372)
PAT/(LAT)	47,568	63,180	174,602	(53,188)	(5,073)	(1,006)	(20,352)	205,731
EBITDA/(LBITDA)	152,323	142,720	228,301	136,494	7,371	(1,006)	(14,568)	651,635

[3] *Included effect of discounting on non-current payables.*

12 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions within the Group are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2023 RM'000	QUARTER ENDED 31.12.2022 RM'000	PERIOD ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2022 RM'000
Project management, technical and other services fees earned from a related party				
- Ping Petroleum	762	1,052	1,470	2,131

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 profit or loss, or net assets value of the Group as at 31 December 2023:

	RM'000
Approved and contracted for:	
Group's capital commitments	297,247
Share of a joint operation's capital commitments	419
Total capital commitments approved and contracted for	297,666
Share of a joint operation's other material commitments	34,786
	332,452

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 Period 31.12.2023 RM'000	Current Quarter 31.12.2023 RM'000	Preceding Quarter 30.09.2023 RM'000	Current Quarter vs Preceding Quarter (Change in %)
Malaysia – North Sabah				
Revenue	399,395	152,984	246,411	(38)
EBITDA	**171,612**	**69,016**	**102,596**	**(33)**
PAT	77,313	28,680	48,633	(41)
Malaysia – Kinabalu and Others				
Revenue	291,885	151,976	139,909	9
EBITDA	**164,741**	**84,500**	**80,241**	**5**
PAT	72,595	32,282	40,313	(20)
Commercial Arrangement Area				
Revenue	497,084	240,523	256,561	(6)
EBITDA	**300,385**	**147,018**	**153,367**	**(4)**
PAT	117,390	60,278	57,112	6
United Kingdom				
Revenue	175,291	76,935	98,356	(22)
EBITDA	**104,023**	**37,744**	**66,279**	**(43)**
PAT	37,812	6,995	30,817	(77)
Vietnam				
Revenue	-	-	-	-
LBITDA	**(500)**	**(477)**	**(23)**	**(1,974)**
LAT	(2,116)	(1,465)	(651)	(125)
Australia				
Revenue	-	-	-	-
EBITDA/(LBITDA)	**222**	**1,801**	**(1,579)**	**-**
PAT/(LAT)	67	1,683	(1,616)	-
Investment holding and group activities				
Revenue	10,519	5,132	5,387	(5)
LBITDA	**(22,218)**	**(14,308)**	**(7,910)**	**(81)**
LAT	(46,428)	(26,118)	(20,310)	(29)
Group				
Revenue	1,374,174	627,550	746,624	(16)
EBITDA	**718,265**	**325,294**	**392,971**	**(17)**
PAT	256,633	102,335	154,298	(34)

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) Malaysia – North Sabah

RM'000	Current Period	Current Quarter
Revenue	399,395	152,984
GP	242,437	100,130
GP margin (%)	*60.7%*	*65.5%*
EBITDA	171,612	69,016
EBITDA margin (%)	*43.0%*	*45.1%*
PBT	130,766	49,154
PBT margin (%)	*32.7%*	*32.1%*
PAT	77,313	28,680
PAT margin (%)	*19.4%*	*18.7%*
ETR (%)	40.9%	41.7%

	Current Period	Current Quarter
Crude oil sold (bbls)	900,484	351,350
Average realised oil price (USD per bbl)	95.39	92.83
Average OPEX per bbl (USD)	22.69	21.43
Average uptime	88%	93%
Average net oil production rate (bbls per day)	4,739	5,133

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

  The North Sabah segment's healthy GP margin of 60.7% was mainly driven by the high average realised price attained.

  The segment's key operational metrices were impacted by the planned CY 2023 major maintenance and the well intervention campaigns. The planned major maintenance campaign took place from April 2023 to August 2023, whilst the well intervention campaign, which commenced in March 2023, was completed in September 2023.

  In addition, an underwater pipeline inspection campaign was executed in the Current Quarter.

  The average uptime returned to normal levels after the completion of the abovementioned maintenance and well intervention campaigns.

  North Sabah's production rate was also further enhanced by improved wells performance at the Barton and South Furious 30 fields.

  The EBITDA of RM171.6 million was delivered after charging supplemental payment and SbST of RM38.5 million and RM20.0 million respectively.

15 PERFORMANCE REVIEW (CONT'D)

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

The following non-cash items were deducted from EBITDA to arrive at a PBT:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM27.0 million;
- Depreciation of right-of-use assets of RM6.9 million; and
- Unwinding of discount on provision for decommissioning costs of RM3.5 million.

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%. Total net tax expenses in the Current Period amounted to RM53.5 million and the resulting ETR over PBT of 40.9% was broadly consistent with the PITA rate.

- **Current quarter results**

The segment delivered relatively healthy profit margins in the Current Quarter on the back of a high average realised oil price of USD92.83 per bbl attained for the 351,350 bbls of crude oil sold. The GP margin and the EBITDA margin recorded were 65.5% and 45.1% respectively.

A high average uptime of 93% was recorded, as both the planned major maintenance campaign for CY 2023 and the well intervention campaign were completed in the Preceding Quarter.

The operational performance in the Current Quarter was also favourably impacted by improved wells performance observed at the Barton and South Furious 30 fields.

This was partly offset by additional expenses incurred for the on-going underwater pipeline inspection campaign.

The EBITDA of RM69.0 million was achieved after charging supplemental payment and SbST of RM18.8 million and RM7.7 million respectively.

The segment recorded a PBT of RM49.2 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 RM13.0 million;
- Depreciation of right-of-use assets of RM3.5 million; and
- Unwinding of discount on provision for decommissioning costs of RM1.8 million.

Total net tax expenses in the Current Quarter were RM20.5 million. The resulting ETR over PBT was 41.7%.

15 PERFORMANCE REVIEW (CONT'D)

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

(ii) Malaysia – Kinabalu and Others

RM'000	Kinabalu		Others@		Total	
	Current Period	Current Quarter	Current Period	Current Quarter	Current Period	Current Quarter
Revenue	284,504	147,244	7,381	4,732	291,885	151,976
GP	194,377	106,142	4,626	2,602	199,003	108,744
GP margin (%)	*68.3%*	*72.1%*	*62.7%*	*55.0%*	*68.2%*	*71.6%*
EBITDA/(LBITDA)	160,496	86,531	4,245	(2,031)	164,741	84,500
EBITDA/(LBITDA) margin (%)	*56.4%*	*58.8%*	*57.5%*	*(42.9%)*	*56.4%*	*55.6%*
PBT/(LBT)	115,344	57,813	3,911	(2,259)	119,255	55,554
PBT/(LBT) margin (%)	*40.5%*	*39.3%*	*53.0%*	*(47.7%)*	*40.9%*	*36.6%*
PAT/(LAT)	69,591	35,203	3,004	(2,921)	72,595	32,282
PAT/(LAT) margin (%)	*24.5%*	*23.9%*	*40.7%*	*(61.7%)*	*24.9%*	*21.2%*
ETR (%)	39.7%	39.1%	23.2%	n/a	39.1%	41.9%

	Kinabalu		Others@	
	Current Period	Current Quarter	Current Period	Current Quarter
Crude oil sold (bbls)	638,429	350,728	17,432	11,259
Average realised oil price (USD per bbl)	95.84	89.84	91.06	90.12
Average OPEX per bbl (USD)	19.30	16.65	26.64	36.65
Average uptime	78%	89%	-	-
Average net oil production rate (bbls per day)	3,400	4,096	112	114

@ *Consists of PM305 and PM314.*

The Malaysia – Kinabalu and Others segment consists of the Kinabalu, PM305 and PM314 PSCs.

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

  <u>Kinabalu</u>

  The segment achieved a healthy GP margin of 68.3%. The GP for the Current Period was RM194.4 million. This was mainly driven by the high average realised price obtained for the sale of crude oil.

  The segment's gross and net oil production rate recorded for the Current Period were 7,555 bbls per day and 3,400 bbls per day respectively. These production rates incorporated the impact of the annual planned major maintenance campaign for CY 2023, which took place from 29 July 2023 to 5 August 2023. The relatively high oil production rate was mainly the result of the following activities/initiatives being achieved/delivered:

  - First oil from the KNWD-18 and KNWD-08ST1 infill wells in August 2023 and October 2023 respectively, which added to the PSC's production;

  - Improved production as a result of a successful gas lift optimisation plan being executed in prior periods; and

  - Successful rectification in July 2023, of the issues encountered with a high pressure gas compressor that had led to insufficient gas lift supply (since January 2023) to the oil wells.

15 PERFORMANCE REVIEW (CONT'D)

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

In addition to the costs incurred for the annual planned major maintenance campaign for CY 2023, the OPEX per bbl of USD19.30 recorded for Kinabalu in the Current Period included the following:

- A higher tariff incurred as a result of higher production;
- A one-off repair cost of a high pressure gas compressor; and
- Higher level of well intervention activities.

The segment reported an EBITDA of RM160.5 million in the Current Period after charging supplemental payment and SbST of RM16.2 million and RM14.2 million respectively.

The following non-cash items were deducted from EBITDA to derive a PBT of RM115.3 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM41.8 million;
- Depreciation of right-of-use assets of RM2.1 million; and
- Unwinding of discount on provision for decommissioning costs of RM1.2 million.

The tax regime governing Kinabalu is PITA, at the rate of 38.0%. The ETR over PBT on the back of a net RM45.8 million tax expenses in the Current Period was 39.7%. This was fairly consistent with the PITA rate.

Note that whilst Kinabalu was in a taxable position in the Current Period, the segment does not need to pay any taxes under PITA as there were sufficient tax losses brought forward to fully offset the tax payable.

Others

PM305 and PM314 reported a GP of RM4.6 million, on the back of RM7.4 million revenue.

In addition, the segment's results were positively impacted by unrealised foreign exchange gains recognised on RM-denominated liabilities. The USD, being the segment's functional currency appreciated against the RM during the Current Period when compared to 30 June 2023.

The tax regime governing PM305 and PM314 is PITA, at the rate of 38.0%. In the Current Period, a net RM0.9 million tax expense was recorded and resulted in an ETR over PBT of 23.2%. This was lower than the PITA rate of 38.0% mainly due to unrealised foreign exchange gains being non-taxable.

15 PERFORMANCE REVIEW (CONT'D)

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

- **Current quarter results**

Kinabalu

During the Current Quarter, Kinabalu recorded favourable operational metrices. The average net oil production rate and OPEX per bbl were 4,096 bbls per day and USD16.65 respectively.

The favourable operational performance achieved was largely attributable to the positive impact derived from first oil achieved for the KNWD-18 infill well in August 2023 followed by first oil from the KNWD-08ST1 infill well in October 2023. Both wells produced in total, 3,300 bbls per day in the Current Quarter, which exceeded the original target of 2,600 bbls per day.

The segment attained an EBITDA of RM86.5 million in the Current Quarter after charging supplemental payment and SbST of RM10.4 million and RM7.4 million respectively.

The following non-cash items were deducted from EBITDA to arrive at PBT of RM57.8 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM27.0 million;
- Depreciation of right-of-use assets of RM1.1 million; and
- Unwinding of discount on provision for decommissioning costs of RM0.6 million.

The segment recognised a net tax expense in the Current Quarter amounting to RM22.6 million which resulted in an ETR over PBT of 39.1%. This was consistent with the PITA rate of 38.0%.

Others

GP recorded for PM305 and PM314 was RM2.6 million.

In the Current Quarter, the segment's results have been adversely impacted by unrealised foreign exchange losses recognised on RM-denominated liabilities. This was the main reason behind the segment's RM2.3 million LBT for the Current Quarter.

Despite a LBT recorded, the segment recognised a net tax expense of RM0.7 million, mainly due to unrealised foreign exchange losses being non-deductible for PITA.

15 PERFORMANCE REVIEW (CONT'D)

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

(iii) Commercial Arrangement Area

RM'000	Current Period	Current Quarter
Revenue	497,084	240,523
- Crude Oil	280,850	125,966
- Gas	216,234	114,557
GP	301,390	140,995
GP margin (%)	*60.6%*	*58.6%*
EBITDA	300,385	147,018
EBITDA margin (%)	*60.4%*	*61.1%*
PBT	175,850	82,205
PBT margin (%)	*35.4%*	*34.2%*
PAT	117,390	60,278
PAT margin (%)	*23.6%*	*25.1%*
ETR (%)	33.2%	26.7%

	Current Period	Current Quarter
Crude oil sold (bbls)	656,118	291,218
Average realised oil price (USD per bbl)	92.06	92.41
Gas sold (MMscf)	7,701	4,116
Average realised gas price (USD per thousand scf)	6.04	5.96
Average OPEX per boe (USD)	14.78	15.18
Average uptime	88%	93%
Average net oil equivalent production rate (boe per day)	9,944	10,532

The CAA segment consists of the PM3 CAA PSC.

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

  During the Current Period, PM3 CAA generated a GP of RM301.4 million while GP margin recorded was 60.6%. The healthy GP margin was mainly driven by the high average realised prices obtained for the sale of both crude oil and gas.

  The operational performance in the Current Period was boosted by the following events:

  - Sustained oil production from the H4 reservoirs through optimised water injection;
  - Stable gas lift operations and successful well work activities in the PM3 Southern field; and
  - First gas produced from the gas producer well BPA-7.

  These favourable developments were partly offset by the effect of the annual planned major maintenance campaign for CY 2023, which took place between 16 August 2023 and 26 August 2023 and lower demand from buyers of the PSC's gas due to downtime experienced at their facilities.

15 PERFORMANCE REVIEW (CONT'D)

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

OPEX incurred in the Current Period included costs associated with:

- Annual planned major maintenance campaign for CY 2023;
- Major execution phase of the FSO Orkid and the FSO PM3 CAA repair life extension project, including the repair of hull structure and piping, and upgrading of accommodation facilities and drainage system;
- Preventive maintenance work for valve, pump and machinery and pipeline and turbo machinery maintenance;
- Platform major painting and vessel painting campaign;
- Membrane and mercury removal units change out;
- Fire water pump change-out and rectification; and
- Slickline and well integrity works completed for 12 wells.

The segment achieved an EBITDA of RM300.4 million and an EBITDA margin of 60.4% in the Current Period.

The segment's PBT of RM175.9 million was arrived at after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM96.9 million;
- Depreciation of right-of-use assets of RM18.2 million; and
- Unwinding of discount on provision for decommissioning costs of RM6.0 million.

The tax regime governing this segment is PITA, at the rate of 38.0%.

In December 2023, the IRB completed its audit on the tax return for PITA submitted and issued a Notice of Additional Assessment for YA 2018. Following this, the overprovisions for the additional tax of RM8.0 million and penalty of RM4.5 million that were previously made by Repsol prior to the FIPC Acquisition were adjusted to taxation and other expenses respectively in the profit or loss.

Omitting the impact of the abovementioned adjustments resulted in a "normalised" net tax expense of RM66.5 million in the Current Period, delivering a "normalised" ETR over a "normalised" PBT of 38.8%. This was consistent with the PITA rate of 38.0%.

15 PERFORMANCE REVIEW (CONT'D)

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

- **Current quarter results**

  PM3 CAA contributed RM147.0 million to the Group's EBITDA in the Current Quarter on the back of the high average realised prices attained for the sale of both crude oil and gas.

  The segment's operational performance during the Current Quarter was reasonably strong on the back of stable oil production from the H4 reservoirs through optimised water injection, stable gas lift operations and successful well work activities conducted in the PM3 Southern field.

  The average OPEX per boe recorded of USD15.18 had been impacted by the execution of the FSO Orkid and FSO PM3 CAA repair life extension project.

  The following non-cash items were deducted from EBITDA to arrive at a PBT of RM82.2 million:

  - Amortisation of intangible assets and depreciation of oil and gas assets of RM51.6 million;
  - Depreciation of right-of-use assets of RM8.5 million; and
  - Unwinding of discount on provision for decommissioning costs of RM3.1 million.

  The segment recorded a net tax expense of RM21.9 million in the Current Quarter. Omitting the impact of a reversal of overprovision of tax of RM8.0 million from the tax line and a reversal of overprovision of the related penalty of RM4.5 million from PBT would result in a "normalised" ETR of 38.5%. This was consistent with the PITA rate of 38.0%. Please refer to the explanation on the overprovisions of tax and related penalty in the "Financial year-to-date results" section above.

15 PERFORMANCE REVIEW (CONT'D)

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

(iv) United Kingdom

RM'000	Current Period	Current Quarter
Revenue	175,291	76,935
- Crude Oil	160,891	68,133
- Gas	14,400	8,802
GP	123,900	49,606
GP margin (%)	*70.7%*	*64.5%*
EBITDA	104,023	37,744
EBITDA margin (%)	*59.3%*	*49.1%*
PBT	53,418	11,986
PBT margin (%)	*30.5%*	*15.6%*
PAT	37,812	6,995
PAT margin (%)	*21.6%*	*9.1%*
ETR (%)	29.2%	41.6%

	Current Period	Current Quarter
Crude oil sold (bbls)	377,190	173,996
Average realised oil price (USD per bbl)	89.70	81.96
Gas sold (MMscf)	269	130
Average realised gas price (USD per thousand scf)	11.26∞ / 12.91#	13.43∞ / 15.21#
Average OPEX per boe (USD)	30.02	32.97
Average uptime	86%	83%
Average daily oil equivalent production rate (boe per day)	2,169	2,118

∞ *For Cook field.*
\# *For Guillemot A, Teal and Teal South fields.*

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

The UK segment reported a GP and an EBITDA of RM123.9 million (70.7% margin over revenue) and RM104.0 million (59.3% margin over revenue) respectively for the Current Period. The average realised oil price per bbl attained for crude oil sold by the Anasuria Cluster was relatively high at USD89.70.

In the Current Period, the segment's production was adversely impacted by the following events:

- A short, planned outage to extend the life of the Anasuria FPSO, which involved the replacement of three mooring chains (which were approaching the end of their safe service utilisation), a turret winch wire and shipside valves;
- Shut-in of the GUA-P5 well since May 2023 caused by a hydraulic oil supply issue to the subsurface safety valve. This is scheduled to be rectified between May 2024 and June 2024; and
- Shutdown of the Anasuria FPSO for 15 days in October 2023 to execute planned maintenance, which was successfully completed.

There were minimal interruptions to operations encountered when heavy rainfall from Storm Babet affected the North Sea in the second half of October 2023.

Additional OPEX was incurred during the Current Period mainly for health and safety related activities. Some of the costs were for additional pre-scheduled inspection activities carried out by the regulators, on top of the routine annual inspection by OPRED. A part of the scope coincided with the Anasuria Operating Company having assumed the role as the duty holder of the Anasuria FPSO (since the second half of CY 2022). Such inspections by the regulators are expected to return to a normal cadence of inspection (i.e. annual offshore inspection per year and smaller onshore inspections as required) subsequently.

15 PERFORMANCE REVIEW (CONT'D)

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

In addition, costs incurred for the replacement of offshore equipment and parts have been included in the Current Period.

A relatively low average daily oil equivalent production rate of 2,169 boe per day was recorded in the Current Period. That, coupled with the higher OPEX incurred mentioned earlier, resulted in the average OPEX per boe to exceed the USD30.00 mark, at USD30.02.

PBT for the segment of RM53.4 million was after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM35.3 million; and
- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM12.6 million and RM1.3 million respectively.

Taxation

RM '000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	(17,794)	5,149	(2,961)	(15,606)
Income tax	(8,652)	-	(2,961)	(11,613)
Deferred tax	(9,142)	5,149	-	(3,993)
- Deferred tax liabilities	(13,066)	20,447	-	7,381
- Recognition	(27,227)	(7,389)	-	(34,616)
- Reversal	14,161	27,836	-	41,997
- Deferred tax assets	3,924	(15,298)	-	(11,374)

(i) Ring fenced

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

In addition, the EPL regime, which took effect from 26 May 2022, introduced an additional 25.0% levy on UK oil and gas profits on top of the RFCT and SC. This was revised upwards to 35.0% with effect from 1 January 2023. The EPL regime will apply until 31 March 2028.

- RFCT and SC

The segment recorded a net tax charge in the Current Period amounting to RM17.8 million, representing an effective tax rate over PBT of 33.3%. This was lower than the statutory rates of 40.0%, mainly due to additional allowances in relation to CAPEX incurred, as provided under the SC regime.

15 PERFORMANCE REVIEW (CONT'D)

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

- EPL

  In the Current Period, a net deferred tax credit of RM5.1 million attributable to the EPL regime was recognised. It was due to the reversal of deferred tax liabilities was put through which came about after a reduction in taxable temporary differences during the window for which the EPL regime applies. This reduction arose after the Group conducted a re-estimation of the CAPEX requirements in the UK for the Current Year.

  Anasuria Hibiscus UK does not expect any income taxation liability arising from the EPL regime as sufficient enhanced allowances would very likely be available from planned CAPEX to fully offset the estimated income chargeable to EPL.

  At this stage, the Group's intention remains to phase our UK CAPEX program such that we optimise the incentives offered as part of the EPL regime. It is also clear that the UK Government is incentivising decarbonisation initiatives within the UK oil and gas sector and this is encouraging us to identify further opportunities that will reduce our overall carbon footprint.

(ii) Non-ring fenced

Non-ring fenced taxation in the UK applies to income generated that do not arise from the exploration and production of oil and gas. In Anasuria Hibiscus UK, it would be the interest income earned from its restricted cash that was placed in trust for its obligations for decommissioning the facilities of the Anasuria Cluster. Such interest income is subject to tax at 45.0% (with 20% on the first GBP2,000). The segment recorded a net tax charge in the Current Period in relation to this amounting to RM3.0 million.

- **Current quarter results**

  The Current Quarter's GP and EBITDA margins were 64.5% and 49.1% respectively.

  Operational performance in the Current Quarter was impacted by the following events, and resulted in a relatively low uptime of 83% and an average daily oil equivalent production rate of 2,118 boe per day:

  - Shut-in of the GUA-P5 well since May 2023 due to a hydraulic oil supply issue to the subsurface safety valve; and

15 PERFORMANCE REVIEW (CONT'D)

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

- Shutdown of the Anasuria FPSO for up to 15 days in October 2023 to allow the execution of a planned maintenance scope.

OPEX per boe recorded for the Current Quarter was relatively high at USD32.97 due to a combination of lower production levels and higher OPEX incurred.

Higher OPEX was incurred mainly due to more extensive health and safety activities and replacement of offshore equipment and parts as highlighted in the "Financial year-to-date results" section above.

PBT attained was RM12.0 million. This was arrived at after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM17.5 million; and

- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM6.4 million and RM0.7 million respectively.

<u>Taxation</u>

RM '000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	(3,358)	(129)	(1,504)	(4,991)
Income tax	(8,652)	-	(1,504)	(10,156)
Deferred tax	5,294	(129)	-	5,165
- Deferred tax liabilities	(2,205)	21,559	-	19,354
- Recognition	(9,238)	(40)	-	(9,278)
- Reversal	7,033	21,599	-	28,632
- Deferred tax assets	7,499	(21,688)	-	(14,189)

(i) <u>Ring fenced</u>

- RFCT and SC

  The segment recorded a net tax charge in the Current Quarter amounting to RM3.4 million, representing an effective tax rate over PBT of 28.0%, which was lower than the statutory rates of 40.0%.

  It was mainly due to additional allowances in relation to CAPEX incurred, as provided under the SC regime, and non-taxable income (under RFCT and SC) such as interest income earned from its restricted cash placed in trust for decommissioning the facilities of the Anasuria Cluster.

15 PERFORMANCE REVIEW (CONT'D)

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

- EPL

  In the Current Quarter, a minimal net deferred tax charge of RM0.1m was recorded.

(ii) Non-ring fenced

The segment recorded a net tax charge of RM1.5 million in the Current Quarter in relation to the interest income earned from the restricted cash placed in trust for its obligations for decommissioning the facilities of the Anasuria Cluster.

(v) Vietnam

RM'000	Current Period	Current Quarter
Revenue	-	-
LBITDA	(500)	(477)
LBITDA margin (%)	N/A	N/A
LBT	(2,748)	(1,910)
LBT margin (%)	N/A	N/A
LAT	(2,116)	(1,465)
LAT margin (%)	N/A	N/A
ETR (%)	23.0%	23.3%

	Current Period	Current Quarter
Average OPEX per bbl (USD)	35.95	35.69
Average uptime	88%	93%
Average net oil production rate (bbls per day)	174	198

The Vietnam segment consists of the Block 46 PSC.

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

  There was no sale of crude oil in the Current Period.

  Expenses reflected in the financial results mainly comprised of the depreciation of oil and gas assets and the unwinding of discount on the provision for decommissioning costs.

  In the Current Period, a deferred tax credit of RM0.6 million was recognised by the segment. It was primarily due to the recognition of deferred tax assets arising from movements in the provision for decommissioning costs and the reversal of deferred tax liabilities arising from the depreciation of oil and gas assets.

15 PERFORMANCE REVIEW (CONT'D)

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

- **Current quarter results**

In the Current Quarter, the Vietnam segment recorded a LAT of RM1.5 million.

No crude oil was sold in the Current Quarter.

Expenses recorded mainly comprised of the depreciation of oil and gas assets and the unwinding of discount on the provision for decommissioning costs.

A deferred tax credit of RM0.4 million was recognised by the segment in the Current Quarter, primarily due to the recognition of deferred tax assets which arose from movements in the provision for decommissioning costs.

(vi) Australia

RM'000	Current Period	Current Quarter
Revenue	-	-
EBITDA	222	1,801
EBITDA margin (%)	*N/A*	*N/A*
PBT	67	1,683
PBT margin (%)	*N/A*	*N/A*
PAT	67	1,683
PAT margin (%)	*N/A*	*N/A*

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

The AUD, being the segment's functional currency, had appreciated against the USD during the Current Period when compared to 30 June 2023. The period-end retranslation of the segment's USD-denominated payables resulted in net unrealised foreign exchange gains of RM1.0 million being recorded as at 31 December 2023. For information, a significant portion of such USD denominated payables are to inter-companies.

The above foreign exchange gains were partly offset by costs incurred for professional fees, project management fees, administrative expenses and share of results of the associate.

- **Current quarter results**

The Australia segment's PAT in the Current Quarter was impacted by a positive foreign exchange impact which arose from the appreciation of the AUD against the USD (when compared to 30 September 2023), impacting the quarter end revaluation of USD denominated inter-company payables.

15 PERFORMANCE REVIEW (CONT'D)

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

(vii) Investment holding and group activities

RM'000	Current Period	Current Quarter
Revenue	10,519	5,132
LBITDA	(22,218)	(14,308)
LBITDA margin (%)	*(211.2%)*	*(278.8%)*
LBT	(43,762)	(24,996)
LBT margin (%)	*(416.0%)*	*(487.1%)*
LAT	(46,428)	(26,118)
LAT margin (%)	*(441.4%)*	*(508.9%)*
ETR (%)	*N/A*	*N/A*

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

  LAT recorded for this segment during the Current Period amounted to RM46.4 million.

  Interest expenses incurred on a term loan amounted to RM20.8 million.

  Major components of other expenses recognised during the Current Period largely relate to corporate overheads, professional and consultancy fees, unrealised foreign exchange losses and depreciation expense.

  In addition, an RM2.7 million tax expense was recorded, mostly related to interest income earned.

- **Current quarter results**

  The LAT in the Current Quarter for this segment was RM26.1 million.

  RM10.3 million interest expense was incurred on a term loan drawn down in the Preceding Year.

  In addition to this, expenses were recognised on corporate overheads, professional and consultancy fees, unrealised foreign exchange losses and depreciation expense.

  In the Current Quarter, a tax expense of RM1.1 million was recognised primarily on interest income earned.

15 PERFORMANCE REVIEW (CONT'D)

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

(B) <u>Statements of Financial Position</u>

(i) Non-current Assets

The Group's non-current assets as at 31 December 2023 amounted to RM4,230.2 million, representing an increase of RM122.6 million from RM4,107.6 million as at 30 June 2023.

CAPEX invested in Kinabalu in the Current Period amounted to RM175.4 million, mainly for the on-going redevelopment project which involves development drilling campaigns and debottlenecking activities, a canned installed pumping system scope, an electrical submersible pilot and the KN-119 well hydraulic workover unit fishing work. In addition, in the Current Period, RM163.9 million was invested in North Sabah mainly for the South Furious 30 Water Flood Phase 2 development project while RM17.2 million was invested by PM3 CAA for the Bunga Lavatera drilling campaign and the PM3 CAA workover.

In the UK, CAPEX invested in the Current Period for Teal West, the Anasuria Cluster and the Marigold West and Sunflower fields amounted to RM34.2 million, RM26.0 million and RM6.3 million respectively.

There was also RM8.5 million capitalised in October 2023 in the UK, when the farm-in for Licence No. P2451 (which holds an undeveloped oil field, the Fyne Field) was completed. The amount represented the net present value of the purchase consideration related to this farm-in.

In addition, there was increase in restricted cash and bank balances maintained by Anasuria Hibiscus UK by RM16.3 million for decommissioning activities in Anasuria Cluster.

The above transactions, that increased the non-current assets balance, were partly offset by depreciation and amortisation of equipment, intangible assets and right-of-use assets (by RM231.2 million) and lower non-current lease receivables from PM3 CAA's and North Sabah's partners (by RM30.0 million).

The depreciation of the USD against the MYR as at 31 December 2023 when compared to 30 June 2023 resulted in net unrealised foreign exchange losses of RM67.8 million being recognised in the Current Period which also offset the increase in the non-current assets balance mentioned above. The unrealised foreign exchange differences were due to the period-end retranslation of the Group's non-current assets denominated in non-MYR currencies.

(ii) Current Assets

Current assets increased from RM2,090.9 million as at 30 June 2023 to RM2,132.2 million as at 31 December 2023.

The trade receivables balance increased by RM69.5 million, from RM411.4 million as at 30 June 2023 to RM480.9 million as at 31 December 2023. The trade receivables balances at the end of the respective reporting periods were impacted by the timing of receipts of proceeds from crude oil offtakes and the sale of gas in the Group's producing assets.

15 PERFORMANCE REVIEW (CONT'D)

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

This was partly offset by lower cash and bank balances as at 31 December 2023, which have reduced by RM28.1 million when compared to the balances as at 30 June 2023.

(iii) Total Liabilities

Total liabilities decreased marginally from RM3,508.8 million as at 30 June 2023 to RM3,501.7 million as at 31 December 2023.

The total borrowings balance of the Group, which contained both lease liabilities and an outstanding term loan facility, has reduced by RM126.6 million during the Current Period due to repayments made.

In addition, the provision for taxation balance as at 31 December 2023 reduced by RM17.4 million when compared to RM222.5 million outstanding as at 30 June 2023. The reduction was mainly due to the settlement of taxation obligations in PM3 CAA and the Anasuria Cluster coupled with a reversal of overprovisions of taxation and penalty related to PM3 CAA in the Current Period.

There was also lower trade payables balance by RM11.1 million due to repayments made.

These decreases in total liabilities were partly offset by higher operations-related payables and accruals balances in North Sabah by RM146.8 million mainly due to higher CAPEX in the Current Period.

(iv) Total Equity

Total equity as at 31 December 2023 increased by RM171.0 million when compared to 30 June 2023.

This was mainly attributable to net earnings generated by the producing oil and gas assets of the Group, partly offset by RM36.2 million dividends declared throughout the Current Period. This amount consisted of the third interim and final single-tier dividends declared in respect of the Preceding Year, which amounted to RM10.1 million and RM10.0 million respectively, and RM16.1 million first interim single-tier dividend declared in respect of the Current Year.

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 required to be posted to other reserves. As at 31 December 2023, the Group had recognised the resulting unrealised unfavourable foreign exchange differences from this revaluation exercise amounting to RM44.8 million due to the depreciation of the USD compared to 30 June 2023.

During the Current Period, the Company repurchased 1,850,000 of its issued ordinary shares from open market on Bursa Securities. The shares repurchased amounted to RM4.6 million and are currently held as treasury shares.

15 PERFORMANCE REVIEW (CONT'D)

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

(C) <u>Statement of Cash Flows</u>

(i) Cash flows generated from operating activities

The Group's net cash generated from operating activities amounted to RM710.0 million.

It comprised mainly the aggregate of funds received from operations at the Group's producing oil and gas assets in Malaysia and the UK, partly offset by group-wide OPEX, payment of taxation obligations and payment of decommissioning liabilities.

(ii) Cash flows used in investing activities

Net cash utilised by the Group for investing activities amounted to RM399.9 million during the Current Period.

Amounts invested in various CAPEX programs by Kinabalu, North Sabah, Anasuria Hibiscus UK, PM3 CAA, Vietnam, PM305 and PM314 amounted to RM175.4 million, RM163.9 million, RM75.0 million, RM17.2 million, RM1.1 million and RM0.2 million respectively.

(iii) Cash flows used in financing activities

The net cash used in financing activities during the Current Period amounted to RM179.0 million.

It was mainly due to payments made in respect of the Group's lease liabilities and term loan (both principal and interest) amounted to RM82.1 million and RM66.9 million respectively.

In addition, the Company paid RM25.2 million dividends during the Current Period (please refer to Part A, Note 9 of this Quarterly Report for further details) and RM4.6 million was utilised to repurchase 1,850,000 of its issued ordinary shares.

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) Malaysia – North Sabah

RM'000	Current Quarter	Preceding Quarter
Revenue	152,984	246,411
GP	100,130	142,307
GP margin (%)	*65.5%*	*57.8%*
EBITDA	69,016	102,596
EBITDA margin (%)	*45.1%*	*41.6%*
PBT	49,154	81,612
PBT margin (%)	*32.1%*	*33.1%*

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	351,350	549,134
Average realised oil price (USD per bbl)	92.83	97.03
Average OPEX per bbl (USD)	21.43	24.00
Average uptime	93%	83%
Average net oil production rate (bbls per day)	5,133	4,357

The North Sabah segment recorded a revenue of RM153.0 million in the Current Quarter as compared to RM246.4 million in the Preceding Quarter. SEA Hibiscus sold 351,350 bbls of crude oil from one cargo during the Current Quarter as compared to 549,134 bbls from two cargoes in the Preceding Quarter. The lower bbls of crude oil sold was the main reason for the lower PBT recorded in the Current Quarter.

Average net oil production rate increased by 776 bbls per day from 4,357 bbls per day in the Preceding Quarter to 5,133 bbls per day in Current Quarter. The adverse impact to operations and production due to the annual planned major maintenance campaign for CY 2023 and the well intervention campaign which took place in the Preceding Quarter did not recur in the Current Quarter.

Average uptime in the Current Quarter improved significantly to 93%, from the 83% recorded in the Preceding Quarter.

In addition, there was enhanced wells performance observed for both the Barton and South Furious 30 fields in the Current Quarter.

All the above factors have contributed to a lower average OPEX per bbl of USD21.43 recorded in the Current Quarter as compared to the USD24.00 recorded in the Preceding Quarter.

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

(ii) Malaysia – Kinabalu and Others

RM'000	Kinabalu		Others@		Total	
	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
Revenue	147,244	137,260	4,732	2,649	151,976	139,909
GP	106,142	88,235	2,602	2,024	108,744	90,259
GP margin (%)	*72.1%*	*64.3%*	*55.0%*	*76.4%*	*71.6%*	*64.5%*
EBITDA/(LBITDA)	86,531	73,965	(2,031)	6,276	84,500	80,241
EBITDA/(LBITDA) margin (%)	*58.8%*	*53.9%*	*(42.9%)*	*236.9%*	*55.6%*	*57.4%*
PBT/(LBT)	57,813	57,531	(2,259)	6,170	55,554	63,701
PBT/(LBT) margin (%)	*39.3%*	*41.9%*	*(47.7%)*	*232.9%*	*36.6%*	*45.5%*

	Kinabalu		Others@	
	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	350,728	287,701	11,259	6,173
Average realised oil price (USD per bbl)	89.84	103.16	90.12	92.79
Average OPEX per bbl (USD)	16.65	23.32	36.65	16.21
Average uptime	89%	68%	-	-
Average net oil production rate (bbls per day)	4,096	2,704	114	109

@ *Consists of PM305 and PM314.*

<u>Kinabalu</u>

The Kinabalu PSC recorded a higher EBITDA in the Current Quarter when compared to the Preceding Quarter, by RM12.6 million or 17.0%.

The segment benefited from a strong operational performance in the Current Quarter.

In the Current Quarter, the segment's average OPEX per bbl decreased to USD16.65 or by 28.6% as compared to Preceding Quarter. In the Preceding Quarter, there were higher costs incurred for the annual planned major maintenance campaign for CY 2023, which took place from 29 July 2023 to 5 August 2023. Additional costs were also incurred in connection with a one-off repair activity conducted on a high pressure gas compressor which was completed in July 2023.

Significant improvements in production metrices were observed in the Current Quarter. As mentioned in earlier sections, the KNWD-18 infill well achieved first oil in August 2023. Accordingly, a full quarter impact of production from this well was recorded in the Current Quarter. In addition, first oil was achieved from the KNWD-08ST1 infill well during the Current Quarter, in October 2023.

Despite the improvement in EBITDA, the Current Quarter's PBT of RM57.8 million was fairly consistent with the Preceding Quarter's PBT of RM57.5 million. This was mainly due to higher depreciation of oil and gas assets of RM12.2 million, as a result of the much higher production levels in the Current Quarter.

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

Others

The segment's reported a LBT in the Current Quarter of RM2.3 million, as opposed to a PBT of RM6.2 million in the Preceding Quarter.

The fluctuation in the results before taxation in the Current Quarter and the Preceding Quarter was mainly caused by the unrealised foreign exchange differences recorded in the respective quarters.

The segment reported RM3.8 million in unrealised foreign exchange losses in the Current Quarter, while unrealised foreign exchange gains of RM4.8 million were recognised in the Preceding Quarter.

(iii) Commercial Arrangement Area

RM'000	Current Quarter	Preceding Quarter
Revenue	240,523	256,561
- Crude Oil	125,966	154,884
- Gas	114,557	101,677
GP	140,995	160,395
GP margin (%)	*58.6%*	*62.5%*
EBITDA	147,018	153,367
EBITDA margin (%)	*61.1%*	*59.8%*
PBT	82,205	93,645
PBT margin (%)	*34.2%*	*36.5%*

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	291,218	364,900
Average realised oil price (USD per bbl)	92.41	91.78
Gas sold (MMscf)	4,116	3,585
Average realised gas price (USD per thousand scf)	5.96	6.13
Average OPEX per boe (USD)	15.18	14.32
Average uptime	93%	83%
Average net oil equivalent production rate (boe per day)	10,532	9,356

The segment recorded a lower PBT of RM82.2 million in the Current Quarter as compared to the Preceding Quarter's PBT of RM93.6 million. This was mainly caused by the lower volume of crude oil oil sold in the Current Quarter by 73,682 bbls. That was partly mitigated by the higher gas revenue recorded in the Current Quarter mainly due to higher volume of gas sold, by 531 MMscf.

The average net oil equivalent production rate recorded in the Current Quarter improved to 10,532 boe per day, from the 9,356 boe per day recorded in the Preceding Quarter. Improved production in the Current Quarter was mainly due to stable gas lift operations on top of the continuous positive impact from both sustained oil production from the H4 reservoirs as well as the successful well work activities in the PM3 Southern field. In addition, the segment's operational performance in the Preceding Quarter was impacted by activities related to CY 2023's annual planned major maintenance campaign.

Despite the higher production levels attained, the OPEX per boe recorded for the Current Quarter increased to USD15.18 as compared to USD14.32 in the Preceding Quarter. It was mainly caused by the additional costs incurred for the FSO Orkid and FSO PM3 CAA repair life extension project.

In the Current Quarter, the segment reported net foreign exchange gains (both realised and unrealised) of RM5.0 million compared to net foreign exchange losses of RM5.1 million in the Preceding Quarter. The quantums recorded in the respective quarters were caused by the fluctuation of the USD, being the segment's functional currency, against the MYR.

The other significant movement between the Current Quarter and the Preceding Quarter up to the PBT level was a higher amortisation of intangible assets and depreciation of oil and gas assets in the Current Quarter (by RM6.2 million) due to higher gross production levels.

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

During the Current Quarter, PM3 CAA recognised a gain of RM4.5 million due to a reversal of overprovision for penalty relating to YA 2018 for PITA upon finalisation of an audit by the IRB in December 2023. This did not occur in the Preceding Quarter.

(iv) United Kingdom

RM'000	Current Quarter	Preceding Quarter
Revenue	76,935	98,356
- Crude Oil	68,133	92,758
- Gas	8,802	5,598
GP	49,606	74,294
GP margin (%)	*64.5%*	*75.5%*
EBITDA	37,744	66,279
EBITDA margin (%)	*49.1%*	*67.4%*
PBT	11,986	41,432
PBT margin (%)	*15.6%*	*42.1%*

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	173,996	203,194
Average realised oil price (USD per bbl)	81.96	97.24
Gas sold (MMscf)	130	138
Average realised gas price (USD per thousand scf)	13.43∞ / 15.21#	9.24∞ / 10.74#
Average OPEX per boe (USD)	32.97	27.22
Average uptime	83%	89%
Average daily oil equivalent production rate (boe per day)	2,118	2,220

∞ *For Cook field.*
\# *For Guillemot A, Teal and Teal South fields.*

The UK segment reported a lower PBT in the Current Quarter as compared to the Preceding Quarter by RM29.4 million. It was due to the lower volume of crude oil sold, a lower average realised oil price achieved and higher OPEX incurred.

The Anasuria Cluster asset's operational performance in both quarters was fairly consistent.

The higher OPEX per boe recorded in the Current Quarter was due to more extensive health and safety activities conducted and the replacement of certain critical offshore equipment and parts.

Additionally, net foreign exchange losses (both realised and unrealised) of RM4.9 million were recorded in the Current Quarter as opposed to just RM0.3 million in the Preceding Quarter. This further impacted the segment's PBT adversely. The quantums recorded in the respective quarters were caused by the fluctuation of the USD, being the segment's functional currency, against the GBP.

(v) Vietnam

RM'000	Current Quarter	Preceding Quarter
Revenue	-	-
LBITDA	(477)	(23)
LBITDA margin (%)	N/A	N/A
LBT	(1,910)	(838)
LBT margin (%)	N/A	N/A

	Current Quarter	Preceding Quarter
Average OPEX per bbl (USD)	35.69	36.29
Average uptime	93%	83%
Average net oil production rate (bbls per day)	198	150

There was no sale of crude oil in both the Current Quarter and Preceding Quarter.

The higher LBT in the Current Quarter was due to higher amortisation of intangible assets and depreciation of oil and gas assets recorded caused by the higher average oil production rate attained.

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

(vi) Australia

RM'000	Current Quarter	Preceding Quarter
Revenue	-	-
EBITDA/(LBITDA)	1,801	(1,579)
EBITDA/(LBITDA) margin (%)	N/A	N/A
PBT/(LBT)	1,683	(1,616)
PBT/(LBT) margin (%)	N/A	N/A

The results before taxation in both the Current Quarter and the Preceding Quarter were largely driven by fluctuations in unrealised foreign exchange differences which arose from the quarter-end retranslation of the segment's USD-denominated payables.

(vii) Investment holding and group activities

RM'000	Current Quarter	Preceding Quarter
Revenue	5,132	5,387
LBITDA	(14,308)	(7,910)
LBITDA margin (%)	(278.8%)	(146.8%)
LBT	(24,996)	(18,766)
LBT margin (%)	(487.1%)	(348.4%)

This segment recorded a LBT of RM25.0 million in the Current Quarter, which was RM6.2 million higher than the LBT of RM18.8 million reported in the Preceding Quarter.

This was mainly attributed to the quantum of net unrealised foreign exchange differences recorded in the respective quarters. Net unrealised foreign exchange losses of RM5.1 million were recognised in the Current Quarter while in the Preceding Quarter, net unrealised foreign exchange gains of RM0.5 million were recognised. Such foreign exchange differences arose mainly from the fluctuation of the USD against the MYR, which impacted the quarter-end retranslation of inter-company balances.

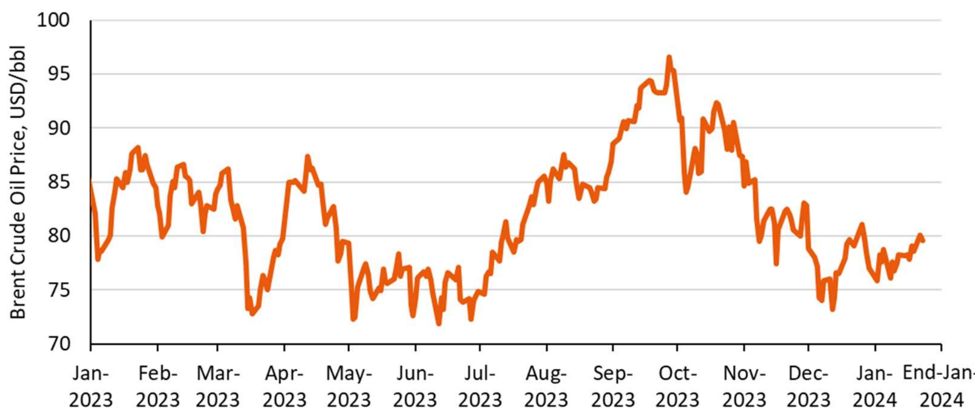
17 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

There are no corporate proposals announced but not completed as at the date of this Quarterly Report.

18 PROSPECTS OF THE GROUP

Our business performance is underpinned by several factors:

a. Price of the Brent crude oil benchmark at approximately the time of a scheduled offtake from the Anasuria FPSO, the FSO Orkid, the FSO PM3 CAA and LCOT. The graph below illustrates the oil price trends for the Brent crude oil benchmark for the period from January 2023 to end-January 2024:



As shown above, Brent oil prices have steadied to levels around USD80.00 per bbl.

b. Any premium or discount that we may receive on the price of the Brent crude oil benchmark for our specific cargoes from the Anasuria Cluster, North Sabah, PM3 CAA, Kinabalu, PM305, PM314 and Block 46 depending on market conditions at the relevant time.

c. 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 75% of the 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 Cluster gas sale and purchase agreement.

d. Gas price for PM3 CAA based on the relevant Upstream Gas Sales Agreement which is linked to the price of High Sulphur Fuel Oil.

18 PROSPECTS OF THE GROUP (CONT'D)

e. Movement of foreign exchange rates, mainly:

- USD vs RM:
  - o As our revenues from our producing assets are secured in USD;
  - o As the base currency used for our producing assets valuations is in USD; and
  - o As the majority of our OPEX in North Sabah, PM3 CAA, Kinabalu, PM305 and PM314 are incurred in RM.

- GBP vs USD:
  - o As the majority of our OPEX for the Anasuria Cluster are incurred in GBP.

f. Operational performance of our producing assets, more specifically:

- Production performance of the wells; and

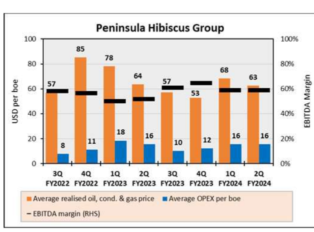
- Facilities availability.

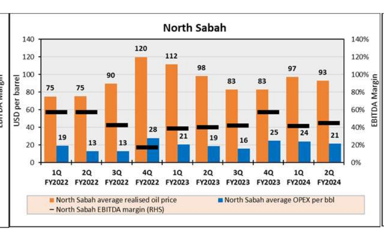
g. Taxation levels imposed in the various jurisdictions.

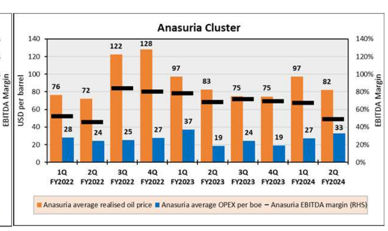
h. Management of operational expenditure for our producing assets and general corporate overheads.

As the joint operator of the Anasuria Cluster and the operator of the North Sabah, PM3 CAA, Kinabalu, PM305, PM314 and Block 46 PSCs, 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 at other times, higher than at the current time. Through these fluctuations, the Group has managed to remain profitable. This is primarily because our average unit production costs for our producing 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 1: The Peninsula Hibiscus Group assets' EBITDA margin in the third financial quarter of the Preceding Year excludes negative goodwill of RM317.3 million.

Note 2: Average OPEX per boe is computed based on gross production OPEX divided by gross oil, condensate and gas production.

Note 3: The Peninsula Hibiscus Group assets' average realised oil, condensate and gas price is the weighted average realised price of both oil and condensate offtakes and gas sales in the respective financial quarter from Kinabalu, PM3 CAA, PM305, PM314 and Block 46. The Anasuria Cluster's average realised oil price does not include gas prices as gas production in the Anasuria Cluster is not material.

18 PROSPECTS OF THE GROUP (CONT'D)

A total of 1,178,551 bbls of crude oil were sold in the Current Quarter – 653,205 bbls from Peninsula Hibiscus Group (PM3 CAA, Kinabalu, PM305 and PM314), 351,350 bbls from North Sabah and 173,996 bbls from the Anasuria Cluster. A total of 4,246 MMscf of gas was sold in the Current Quarter – 4,116 MMscf from PM3 CAA and 130 MMscf from the Anasuria Cluster.

Overall, the Group is well-positioned to build on its successful operational track record which has been developed in Malaysia and the UK and we remain focused on delivering optimal performance in a strong oil price environment.

19 PROFIT FORECAST AND PROFIT GUARANTEE

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

20 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

21 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

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

22 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.

23 MATERIAL LITIGATION

Save as disclosed below, as at the date of this Quarterly Report, the Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may materially and adversely affect its financial position or business, and there is no proceeding, pending or threatened, or of any fact likely to give rise to a proceeding which may materially and adversely affect the financial position or business of the Group.

Notice to Arbitrate received by Hibiscus Oil & Gas

As announced on 3 March 2023, Hibiscus Oil & Gas received the Notice dated 2 March 2023 from lawyers acting for Oceancare. The Notice relates to a dispute arising from a contract entered into between Hibiscus Oil & Gas (as operator of the relevant PSCs) and Oceancare titled "Provision of Integrated Well Services for Intervention, Workover & Abandonment for Petroleum Arrangement Contracts (PACs) Package (B): Integrated Workover for Production Enhancement and for Abandonment", in which Oceancare is claiming a total principal amount of RM36,574,760.86 alleging, amongst other things, variation to original scope of work, which Hibiscus Oil & Gas denies.

On 30 March 2023, Hibiscus Oil & Gas served its response to the Notice and put forward its counterclaim. This arbitration has been registered by the AIAC and pursuant thereto, Hibiscus Oil & Gas made payment of a provisional advance deposit in the sum of RM185,797.25 to the AIAC in May 2023. Since then, there have been no updates or further developments from the AIAC or Oceancare regarding the arbitral proceedings.

The Directors are of the opinion that the Group has a reasonably good basis to defend the claim.

24 DIVIDEND

In respect of the Current Year

The Board has declared a second interim single-tier dividend of 2.00 sen per ordinary share in the Current Quarter, after taking into account the effect of the Share Consolidation exercise.

The total dividends declared in the Current Period is 4.00 sen per ordinary share (Preceding Year's corresponding period ended 31 December 2022: 0.75 sen per ordinary share, before taking into account the effect of the Share Consolidation exercise).

In respect of the Preceding Year

At the Company's 13th Annual General Meeting held on 5 December 2023, a final single-tier dividend of 1.25 sen per ordinary share in respect of the Preceding Year, after taking into account the effect of the Share Consolidation exercise, was approved by the shareholders. The dividend was paid on 19 January 2024 to shareholders whose names appeared in the Record of Depositors on 4 January 2024.

25 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, excluding ordinary shares purchased by the Company and held as treasury shares.

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 31.12.2023	QUARTER ENDED 31.12.2022	PERIOD ENDED 31.12.2023	PERIOD ENDED 31.12.2022
Profit after taxation attributable to owners of the Company (RM'000)	(A)	102,335	70,469	256,633	205,731
Weighted average number of shares for basic earnings per share computation ('000)	(B)	804,579	804,967[4]	804,773	804,967[4]
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	804,579	804,967[4]	804,773	804,967[4]
Basic earnings per share (sen)	(A/B)	12.72	8.75[4]	31.89	25.56[4]
Diluted earnings per share (sen)	(A/C)	12.72	8.75[4]	31.89	25.56[4]

[4] *For comparative purpose, in accordance with the provisions of MFRS 133: Earnings per Share, the basic and diluted earnings per shares for the Preceding Year's corresponding quarter and period had been adjusted to reflect the effect of the Share Consolidation exercise, which was completed on 20 October 2023 (please refer to Part A, Note 4(i) of this Quarterly Report for further details).*

26 OTHER INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2023 RM'000	QUARTER ENDED 31.12.2022 RM'000	PERIOD ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2022 RM'000
Sundry income	736	925	1,183	925
Interest income	12,217	1,369	23,045	2,581
Realised gain on foreign exchange#	2,769	5,508	734	13,272
	15,722	7,802	24,962	16,778

\# *The realised gain on foreign exchange has neither been derived from the trading of futures contracts nor futures foreign exchange trading.*

27 PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2023 RM'000	QUARTER ENDED 31.12.2022 RM'000	PERIOD ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2022 RM'000
Profit before taxation is arrived at after charging/(crediting):				
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	124,039	125,090	231,208	221,040
Supplemental payments##	29,500	65,591	55,354	136,030
Finance costs	27,579	19,503	54,211	36,492
SbST###	15,066	19,585	34,195	33,983
Share of results of an associate	157	125	288	252
Write-back of amount owing to a joint venture	(45)	-	(45)	-
Interest income	(15,409)	(1,384)	(29,803)	(2,602)
Unrealised loss on foreign exchange####	11,025	27,932	13,305	15,291
Realised gain on foreign exchange####	(2,769)	(5,508)	(734)	(13,272)

Supplemental payments represent amounts paid/payable by North Sabah, Kinabalu, PM305 and PM314 in relation to their profit oil, when the weighted average oil price exceeds the base price stated in the respective PSCs. The supplemental payments incurred by North Sabah, Kinabalu, PM305 and PM314 in the Current Period amounted to RM38.5 million (Preceding Year's corresponding period RM82.6 million), RM16.2 million (Preceding Year's corresponding period: RM52.5 million) and RM0.7 million (Preceding Year's corresponding period: RM0.9 million) respectively. The supplemental payments are included in administrative expenses in profit or loss.

SbST represents State Sales Tax imposed by the Sabah State Government on SEA Hibiscus and Hibiscus Oil & Gas in relation to crude oil produced under their respective PSCs and sold from LCOT. The SbST is included in other expenses in profit or loss.

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.

28 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2023 RM'000	QUARTER ENDED 31.12.2022 RM'000	PERIOD ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2022 RM'000
Income taxation	(31,169)	(841)	(120,800)	13,142
Deferred taxation	(40,172)	(137,379)	(55,413)	(201,514)
	(71,341)	(138,220)	(176,213)	(188,372)

28 TAXATION (CONT'D)

Breakdown by operating segments:

OPERATING SEGMENTS	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.12.2023 RM'000	Quarter Ended 31.12.2022 RM'000	Period Ended 31.12.2023 RM'000	Period Ended 31.12.2022 RM'000
Malaysia – North Sabah				
Income taxation	13,542	(25,531)	(27,649)	(32,495)
Deferred taxation	(34,016)	1,278	(25,804)	321
Total	**(20,474)**	**(24,253)**	**(53,453)**	**(32,174)**
Malaysia – Kinabalu and Others				
Income taxation	(1,190)	1,499	(245)	634
Deferred taxation	(22,082)	(14,042)	(46,415)	(43,284)
Total	**(23,272)**	**(12,543)**	**(46,660)**	**(42,650)**
Commercial Arrangement Area				
Income taxation	(32,367)	44,555	(78,875)	65,059
Deferred taxation	10,440	(12,316)	20,415	(23,001)
Total	**(21,927)**	**32,239**	**(58,460)**	**42,058**
United Kingdom				
Income taxation	(10,156)	(3,597)	(11,613)	(8,957)
Deferred taxation	5,165	(112,634)	(3,993)	(136,408)
Total	**(4,991)**	**(116,231)**	**(15,606)**	**(145,365)**
Vietnam				
Income taxation	-	(17,767)	-	(11,099)
Deferred taxation	445	335	632	858
Total	**445**	**(17,432)**	**632**	**(10,241)**
Australia				
Income taxation	-	-	-	-
Deferred taxation	-	-	-	-
Total	**-**	**-**	**-**	**-**
Investment holding and group activities				
Income taxation	(998)	-	(2,418)	-
Deferred taxation	(124)	-	(248)	-
Total	**(1,122)**	**-**	**(2,666)**	**-**
Group				
Income taxation	(31,169)	(841)	(120,800)	13,142
Deferred taxation	(40,172)	(137,379)	(55,413)	(201,514)
Total	**(71,341)**	**(138,220)**	**(176,213)**	**(188,372)**

28 TAXATION (CONT'D)

Income Taxation

- Malaysia

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

- Commercial Arrangement Area

  The tax regime for PM3 CAA is the tax regime applicable to Malaysian oil and gas activities, which is PITA at the rate of 38.0%.

  Pursuant to the memorandum of understanding entered into between the Government of Malaysia and the Government of Vietnam, the said governments agreed to mutually cooperate in the exploration for and exploitation of petroleum in the overlapping area of the continental shelves located off the northeast coast of Peninsular Malaysia and the southwest coast of Vietnam. Hence, the taxes are paid on an equal basis to the Government of Malaysia and the Government of Vietnam.

- United Kingdom

  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 RFCT, SC and EPL. The current rates of tax for RFCT, SC and EPL are set at 30.0%, 10.0% and 35.0% respectively.

- Vietnam

  The tax rate in Vietnam for the oil and gas, and other extractive industries varies from 32.0% to 50.0%.

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 profit or loss.

29 BORROWINGS

Details of borrowings as at 31 December 2023 were as follows:

	As at 31.12.2023 RM'000	As at 30.06.2023 RM'000
Non-current		
Secured		
Lease liabilities	227,331	282,730
Term loan	315,206	365,012
	542,537	647,742
Current		
Secured		
Lease liabilities	102,487	122,924
Term loan	90,843	91,828
	193,330	214,752

By Order of the Board of Directors
Hibiscus Petroleum Berhad
20 February 2024