HIBISCUS PETROLEUM BERHAD

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

Unaudited Quarterly Financial Report
31 December 2024

(Second financial quarter of financial year ending 30 June 2025)

(Note: This Unaudited Quarterly Financial Report is supplemented by the Corporate and Business Update released on the same day, on 25 February 2025.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.12.2024 RM'000	QUARTER ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2024 RM'000	PERIOD ENDED 31.12.2023 RM'000
Revenue		653,176	627,550	1,130,571	1,374,174
Cost of sales		(266,744)	(222,943)	(496,835)	(496,925)
GROSS PROFIT		386,432	404,607	633,736	877,249
Other income	26	26,811	15,722	16,031	24,962
Administrative and other operating expenses		(63,089)	(73,233)	(132,527)	(140,668)
Supplemental payments		(7,598)	(29,500)	(33,673)	(55,354)
Write-off of well exploration costs		(17,497)	-	(17,497)	-
Other administrative expenses		(37,994)	(43,733)	(81,357)	(85,314)
Other expenses		(151,236)	(145,684)	(256,784)	(274,198)
Finance costs		(35,892)	(27,579)	(60,139)	(54,211)
Share of results of an associate		(68)	(157)	(367)	(288)
PROFIT BEFORE TAXATION	27	162,958	173,676	199,950	432,846
Taxation	28	(79,698)	(71,341)	(41,087)	(176,213)
PROFIT AFTER TAXATION		83,260	102,335	158,863	256,633
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
- Owners of the Company		83,260	102,335	158,863	256,633
EARNINGS PER SHARE (SEN)					
Basic	25	10.80	12.72	20.32	31.89
Diluted	25	10.80	12.72	20.32	31.89

Note:

Earnings Before Interest, Taxes, Depreciation and Amortisation		339,890	325,294	489,661	718,265

(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 2024 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2024 RM'000	QUARTER ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2024 RM'000	PERIOD ENDED 31.12.2023 RM'000
PROFIT AFTER TAXATION	83,260	102,335	158,863	256,633
Other comprehensive income/(expenses):				
Item that may be subsequently reclassified to profit or loss:				
- Foreign currency translation*	236,679	(62,925)	(146,911)	(44,820)
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	319,939	39,410	11,952	211,813
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the Company	319,939	39,410	11,952	211,813

* *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 2024 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		1,697,087	1,431,973
Equipment		3,380,716	2,190,882
Right-of-use assets		129,118	142,650
Other receivables		130,043	170,888
Investment in an associate		3,572	4,456
Restricted cash and bank balances		272,726	274,359
Tax recoverable		51,121	53,957
Deferred tax assets		2,016	-
		5,666,399	4,269,165
CURRENT ASSETS			
Intangible assets		63	5,102
Inventories		215,029	193,426
Trade receivables		487,580	548,521
Other receivables, deposits and prepayments		803,260	891,483
Cash and bank balances		462,001	688,025
Tax recoverable		32,461	8,617
		2,000,394	2,335,174
TOTAL ASSETS		7,666,793	6,604,339
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	158,472	166,014
Treasury shares	10	(19,978)	(16,121)
Other reserves		189,841	336,752
Retained earnings		2,666,816	2,613,745
		2,995,151	3,100,390
NON-CURRENT LIABILITIES			
Borrowings	29	462,615	534,947
Contingent consideration		41,371	43,307
Deferred tax liabilities		976,374	807,044
Provision for decommissioning costs		680,278	539,512
		2,160,638	1,924,810

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 2024 and the accompanying explanatory notes attached to the financial statements.

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

	Note	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000
CURRENT LIABILITIES			
Trade payables		27,194	26,382
Other payables and accruals		1,751,237	955,666
Borrowings	29	314,166	214,113
Contingent consideration		1,629	1,691
Provision for decommissioning costs		69,873	78,271
Provision for taxation		346,905	303,016
		2,511,004	1,579,139
TOTAL LIABILITIES		4,671,642	3,503,949
TOTAL EQUITY AND LIABILITIES		7,666,793	6,604,339
NET ASSETS PER SHARE (RM)		3.95	3.88

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 2024 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 31.12.2024						
As at 01.07.2024	166,014	(16,121)	389	336,363	2,613,745	3,100,390
Profit after taxation	-	-	-	-	158,863	158,863
Other comprehensive expenses, net of tax: - Foreign currency translation	-	-	-	(146,911)	-	(146,911)
Total comprehensive (expenses)/income for the period	-	-	-	(146,911)	158,863	11,952
Dividends	-	-	-	-	(34,492)	(34,492)
Purchase of treasury shares	-	(82,524)	-	-	(175)	(82,699)
Cancellation of treasury shares	(7,542)	78,667	-	-	(71,125)	-
Total transactions with owners of the Company	(7,542)	(3,857)	-	-	(105,792)	(117,191)
As at 31.12.2024	158,472	(19,978)	389	189,452	2,666,816	2,995,151
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
Dividend	-	-	-	-	(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

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 2024 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	31.12.2024 RM'000	**31.12.2023 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	199,950	432,846
Adjustments for:		
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	229,572	231,208
Finance costs	60,139	54,211
Write-off of well exploration costs	17,497	-
Unrealised loss on foreign exchange	3,793	13,305
Write-off of equipment	459	-
Share of results of an associate	367	288
Write-back of amount owing to a joint venture	-	(45)
Interest income	(17,912)	(29,803)
Operating profit before working capital changes	493,865	702,010
Inventories	(18,120)	(4,614)
Trade receivables	298,102	(76,848)
Other receivables, deposits and prepayments	151,072	19,011
Trade payables	1,693	(10,630)
Other payables and accruals	443,495	81,087
Cash generated from operating activities	1,370,107	710,016
Tax paid	(180,981)	(126,393)
Movement in restricted cash and bank balances	26,285	(24,272)
Net cash generated from operating activities	1,215,411	559,351
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	17,912	29,803
Acquisition of intangible assets	(73,121)	(43,093)
Purchase of equipment	(410,956)	(386,654)
Net cash outflow arising from business combination	(746,190)	-
Net cash used in investing activities	(1,212,355)	(399,944)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown on revolving credit	107,326	-
Purchase of treasury shares	(82,698)	(4,663)
Repayment of lease liabilities	(67,688)	(82,073)
Repayment of term loan	(43,474)	(46,032)
Dividends paid	(27,700)	(25,155)
Interest paid	(15,734)	(20,868)
Redemption of Redeemable Convertible Preference Shares	-	(219)
Net cash used in financing activities	(129,968)	(179,010)
Net decrease in cash and cash equivalents	(126,912)	(19,603)
Effects of foreign exchange rate changes	(52,755)	(14,117)
Cash and cash equivalents at beginning of the financial period	609,995	925,630
Cash and cash equivalents at end of the financial period	430,328	891,910

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

	Period Ended	
	31.12.2024	**31.12.2023**
	RM'000	**RM'000**
Cash and bank balances in the Consolidated Statements of Financial Position are as follows:		
Non-current		
Restricted cash and bank balances**	272,726	235,282
Current		
Cash and bank balances	462,001	931,531
Less: Restricted cash and bank balances***	(31,673)	(39,621)
Cash and cash equivalents	430,328	891,910

** *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 2024*
  - *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 2024 was equivalent to RM31.7 million.*
- *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 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.*

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 2024 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
2024 Offshore Turnaround	Planned 2024 Offshore Turnaround of the Anasuria FPSO
Act	Companies Act 2016
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
Brunei	Brunei Darussalam
Bursa Securities	Bursa Malaysia Securities Berhad
CAA	Commercial Arrangement Area
CAPEX	Capital expenditure
CITA	Corporate Income Tax
Current Quarter	Financial quarter ended 31 December 2024
Current Year	Financial year ending 30 June 2025
CY	Calendar year
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EPL	Energy Profits Levy
ESIM	Energy Security Investment Mechanism
ESP	Electrical submersible pump
ETR	Effective tax rate
FPSO	Floating production storage and offloading vessel
FSO	Floating storage and offloading
GBP	Great Britain Pound
GL	Gross loss
GP	Gross profit
Heren Index	Heren National Balancing Point index
Hibiscus EP Brunei	Hibiscus EP (Brunei) B.V.
Hibiscus Oil & Gas	Hibiscus Oil & Gas Malaysia Limited
Ithaca Energy	Ithaca Energy (UK) Limited
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
Malaya Hibiscus	Malaya Hibiscus Sdn. Bhd.
MFRS	Malaysian Financial Reporting Standard
MMLR	Main Market Listing Requirements
MMscf	Million standard cubic feet
N/A	Not applicable
North Sabah	2011 North Sabah Enhanced Oil Recovery PSC
Notice	Notice to Arbitrate
NSTA	North Sea Transition Authority
Oceancare	Oceancare Corporation Sdn. Bhd.
OPEX	Operating costs
PAT	Profit after taxation
PBT	Profit before taxation
PETRONAS	Petroliam Nasional Berhad

ABBREVIATIONS AND ACRONYMS (CONT'D)

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

Abbreviation	Description
PETRONAS Carigali	PETRONAS Carigali Sdn. Bhd.
PITA	Petroleum Income Tax
PKNB	Pertang, Kenarong, Noring and Bedong Cluster PSC
PM3 CAA	PM3 CAA PSC
PM305 and PM314	PM305 and PM314 PSCs
PM327	PM327 PSC
Preceding Quarter	Financial quarter ended 30 September 2024
Preceding Year	Financial year ended 30 June 2024
PSC	Production Sharing Contract
RFCT	Ring fence corporation tax
RM	Ringgit Malaysia
RPS	RPS Energy Limited
SPA	Sales and purchase agreement
SbST	Sabah State Sales Tax
SC	Supplementary charge
scf	Standard cubic feet
SEA Hibiscus	SEA Hibiscus Sdn. Bhd.
Simpor Hibiscus	Simpor Hibiscus Sdn. Bhd.
Straits Hibiscus	Straits Hibiscus Sdn. Bhd.
TotalEnergies EP Brunei	TotalEnergies EP (Brunei) B.V.
TotalEnergies Holdings	TotalEnergies Holdings International B.V.
UK	United Kingdom
USD	United States Dollar
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 2024:

Amendments to MFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to MFRS 101	*Non-current Liabilities with Covenants*
Amendments to MFRS 107 and MFRS 7	*Supplier Finance Arrangements*

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 9 and MFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual improvements to MFRS Accounting Standards – Volume 11	*MFRS 7 Financial Instruments: Disclosures, Guidance on implementing MFRS 7 Financial Instruments: Disclosures, MFRS 9 Financial Instruments, MFRS 10 Consolidated Financial Statements, MFRS 107 Statement of Cash Flows*	1 January 2026

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Amendments to Standards issued but not yet effective (cont'd)

Description		**Effective for financial periods beginning on or after**
MFRS 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027

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

Save as disclosed below, there were no other significant or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the Current Period.

(i) PKNB PSC

Hibiscus Oil & Gas, an indirect wholly-owned subsidiary of the Company was awarded a 65% participating interest and operatorship in the PKNB PSC by PETRONAS on 1 July 2024. The remaining participating interest is held by PETRONAS Carigali.

The effective date of the PSC is 1 July 2024, with a contract duration of 24 years.

The PSC consists of four discovered resource opportunities (gas fields), namely the Pertang, Kenarong, Noring and Bedong fields, which are located in shallow waters between 65 and 75 metres depth offshore the east coast of Peninsular Malaysia. The fields are located to the south, and within tie-back distance of the PM3 CAA PSC which is operated by Hibiscus Oil & Gas.

Please refer to our announcement dated 26 July 2024 for further details.

(ii) PM327 PSC

Straits Hibiscus, an indirect wholly-owned subsidiary of the Company, signed a farm-in agreement to acquire a 30% participating interest in the PM327 PSC, an exploration block located to the south of the PM3 CAA PSC. The effective date of the farm-in agreement was 5 July 2024.

The farm-in was completed on 30 September 2024.

PETRONAS Carigali is the operator of the PM327 PSC.

The tenure of the PSC is 28 years, commencing in February 2023.

Please refer to our announcements dated 23 August 2024 and 7 October 2024 for further details.

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

(iii) Acquisition of TotalEnergies EP Brunei

On 14 June 2024, the Company announced that its indirect wholly-owned subsidiary, Simpor Hibiscus, had on 13 June 2024 entered into a SPA with TotalEnergies Holdings for the acquisition by Simpor Hibiscus of the entire equity interest in TotalEnergies EP Brunei for a cash consideration of USD259.4 million, subject to specified conditions precedent to completion. Upon execution of the SPA, Simpor Hibiscus paid a deposit of USD49.0 million to TotalEnergies Holdings.

TotalEnergies EP Brunei is incorporated in the Netherlands. TotalEnergies EP Brunei through its branch in Brunei owns a 37.5% operated interest in the Block B Maharajalela Jamalulalam field.

The parties holding the remaining interest in the Block B Maharajalela Jamalulalam field are as follows:

- Shell Deepwater Borneo B.V. (formerly known as Shell Deepwater Borneo Limited) (35.0%); and

- Brunei Energy Exploration Sdn. Bhd. (formerly known as PB Expro Sendirian Berhad) (27.5%). Brunei Energy Exploration Sdn. Bhd. is owned by Brunei Energy Holding Sdn. Bhd. which in turn is owned by the Brunei Minister for Finance Corporation.

The acquisition was completed on 14 October 2024 and resulted in the Group assuming operatorship of the Block B Maharajalela Jamalulalam field. On 14 October 2024, TotalEnergies EP Brunei changed its name to Hibiscus EP Brunei.

Simpor Hibiscus paid a total USD195.7 million out of the cash purchase consideration of USD259.4 million to complete the acquisition, after taking into account various agreed adjustments (Please refer to Part A, Note 7 (ii) for further details).

Please refer to our announcements dated 14 June 2024, 13 August 2024, 25 September 2024 and 14 October 2024 for further details.

5 MATERIAL CHANGES IN ESTIMATES

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

6 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL QUARTER

There were no material events subsequent to the end of the Current Period up to the date of this Quarterly Report.

7 CHANGES IN THE COMPOSITION OF THE GROUP

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

(i) On 9 September 2024, Malaya Hibiscus was incorporated under the Act with an issued and paid-up share capital of 2 ordinary shares of RM1.00 each. Malaya Hibiscus was established as a wholly-owned subsidiary of Asia Hibiscus Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company.

(ii) On 14 October 2024, the Group completed the acquisition of TotalEnergies EP Brunei from TotalEnergies Holdings.

The purchase price consideration was USD245.0 million (equivalent to RM1,052.7 million). It was based on the Group's internal assessment on the Block B Maharajalela Jamalulalam field and supported by an independent third party assessment performed by RPS (the relevant reports prepared by RPS were included in the Circular to Shareholders related to this acquisition dated 25 September 2024 – i.e. a Competent Valuers' Report (Appendix IV in the Circular to Shareholders) and a Competent Person's Report (Appendix V in the Circular to Shareholders)).

In calculating the final purchase consideration, the following various agreed adjustments (pursuant to the SPA) were made:

	RM'000
Purchase price per the SPA (i.e. USD245.0 million)	1,052,716
Add: Time value amount	73,046
Add: Net cash	192,789
Less: Working capital	(130,972)
Less: Pre-closing dividend	(279,292)
Less: Leakage adjustment amount	(67,597)
Final purchase consideration	**840,690**
Less: Cash and cash equivalents of subsidiary acquired	(94,500)
Net cash outflow arising from business combination	**746,190**

The resulting final purchase consideration was USD195.7 million (equivalent to RM840.7 million).

7 CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

The provisional fair value of the identifiable assets and liabilities of TotalEnergies EP Brunei has been determined in accordance with the provisions of MFRS 3 *Business Combinations* and assigned to the identifiable assets and liabilities as at 14 October 2024. The provisional fair value of the identifiable assets and liabilities of TotalEnergies EP Brunei as at 14 October 2024 is as follows:

	RM'000
Assets	
Equipment	1,023,139
Right-of-use assets	18,528
Inventories	13,639
Trade receivables	266,365
Other receivables, deposits and prepayments	49,859
Cash and bank balances	94,500
	1,466,030
Liabilities	
Other payables and accruals	334,646
Borrowings	50,752
Provision for decommissioning costs	158,892
Provision for taxation	137,282
Deferred tax liabilities	239,025
	920,597
Total provisional identifiable net assets at fair value	545,433
Provisional goodwill from business combination (i.e. USD68.7 million)	295,257
Final purchase consideration (after adjustments)	840,690

Under the provisions of MFRS 3 *Business Combinations*, the Group is given a period not exceeding one year from the acquisition date to determine the fair value of the identifiable assets and liabilities of TotalEnergies EP Brunei as at 14 October 2024, including our interests in the Block B Maharajalela Jamalulalam field. The Group is awaiting the finalisation of a post-acquisition independent competent person's report so at this time, the numbers provided above are provisional. Whilst we do not expect much deviation from the provisional numbers that are disclosed above, we will await the completion of the independent competent person's report before formally confirming them.

In addition, whilst there is a provisional goodwill number stated above, it should be noted that this number arises mainly from certain non-cash taxation related entries, including those within the balance sheet of the company being acquired, which does not negatively impact the value of the underlying asset that has been acquired which has already been supported by an independent competent person's report issued by RPS on 13 June 2024 and now, being updated further for disclosure at a later date.

For avoidance of doubt, the non-cash taxation-related components are:

- Deferred tax liabilities balance (which is non-cash in nature) of RM172.4 million carried over as at 14 October 2024 as part of the fair value of the acquired liabilities post-acquisition. The deferred tax liabilities stem from timing differences in the carrying value of non-current assets caused by the depreciation methods and basis adopted for taxation and accounting purposes; and

7 CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

- Deferred tax liabilities recognised of RM65.8 million (which is non-cash in nature) was computed by multiplying the PITA rate in Brunei of 55.0% on the provisional uplift amount of oil and gas properties amounting to RM117.6 million, when compared to the non-current assets of TotalEnergies EP Brunei as at 14 October 2024. The RM117.6 million arose from the revaluation of oil and gas properties and is recognised as equipment in the Group's Statement of Financial Position. MFRS 3 Business Combinations requires an acquirer to account for the potential tax effect of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition in accordance with MFRS 112 *Income Taxes*.

Whilst deferred tax liabilities are non-cash in nature, the accounting treatment stipulated in MFRS 3 *Business Combination,* requires them to be included in the net identifiable assets and liabilities for comparison with the final purchase consideration in calculating goodwill. Notwithstanding, in assessing goodwill for impairment assessment purpose, deferred tax liabilities are included in the determination of the carrying value of the cash generating unit.

As at 31 December 2024, the provisional goodwill recognised of USD68.7 million was translated at the closing rate adopted for conversion to RM of 4.4719 to RM307.3 million and was reported in the Group's Statement of Financial Position in the Current Quarter. The exchange differences are recognised in other comprehensive income.

In acquiring TotalEnergies EP Brunei, the Group has assumed various benefits associated with a strategic market entry via a matured and established existing operational set-up. They include:

- A long-standing established business presence in Brunei;
- An experienced and knowledgeable assembled workforce; and
- Strong established business processes (operational processes, operational data and operational contracts) which provide a platform to acquire more licences or assets which will contribute positively to Group's revenue.

For the purposes of reporting the financial performance of TotalEnergies EP Brunei (and as disclosed based on MFRS 8 *Operating Segments*), the Group has classified TotalEnergies EP Brunei under the Brunei operating segment. Please refer to Part A, Note 11 of this Quarterly Report for further details.

For the period from 15 October 2024 to 31 December 2024, TotalEnergies EP Brunei contributed revenue of RM81.2 million and PAT generated from operations of RM15.1 million.

Had TotalEnergies EP Brunei been acquired on 1 July 2024, the Group's revenue and PAT for the Current Period would have been RM1,291.7 million and RM184.5 million respectively.

Transaction costs and professional fees incurred relating to the acquisition of RM7.1 million was expensed to profit or loss as part the Group's administrative expenses.

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
In respect of the Preceding Year	
Third interim single-tier dividend of 2.00 sen per ordinary share, paid on 19 July 2024	15,972
Fourth interim single-tier dividend of 1.50 sen per ordinary share, paid on 25 October 2024	11,728
	27,700

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.

Share capital	**PERIOD ENDED 31.12.2024**	
	Number of shares	**Share capital RM'000**
ORDINARY SHARES		
As at 01.07.2024	804,967,428	166,014
Cancellation of treasury shares	(36,566,600)	(7,542)
As at 31.12.2024	768,400,828	158,472

In accordance with Section 127(14) of the Act, the issued capital of the Company shall be diminished by the treasury shares so cancelled.

Treasury shares	**PERIOD ENDED 31.12.2024**	
	Number of shares	**Treasury shares RM'000**
As at 01.07.2024	6,385,200	16,121
Purchase of treasury shares	40,014,900	82,524
Cancellation of treasury shares	(36,566,600)	(78,667)
As at 31.12.2024	9,833,500	19,978

On 27 November 2024, our 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 pass an ordinary resolution in a general meeting.

During the Current Period, the Company repurchased 40,014,900 of its issued ordinary shares from the open market on Bursa Securities. The cost of repurchasing these shares amounted to RM82,524,593. On 27 November 2024, the Company cancelled 36,566,600 of its treasury shares following a resolution passed by the Board. The remaining 9,833,500 shares repurchased are currently held as treasury shares and presented as a deduction from equity in the Consolidated Statements of Financial Position.

11 OPERATING SEGMENTS

Operating results are segmented in respect of the Group's business activities.

The Group had reassessed the composition of its reportable operating segments upon completing the integration of the operations of its two Malaysian operating business units, SEA Hibiscus and Hibiscus Oil & Gas. The reassessment was performed based on the quantitative thresholds and qualitative factors in accordance with the requirements of MFRS 8 *Operating Segments*. Via the integrated organisation known as Hibiscus Malaysia, the Group aims to achieve a unified working culture, operational synergies and cost optimisation across the Group's assets in Peninsular Malaysia, Sabah Malaysia and Vietnam and further solidify the Group's position in Malaysia.

The Group's reportable operating segments have been redefined based on a review that took into consideration the similarity of the economic characteristics, business processes, allocation of resources and regulatory environment.

The comparative operating segments' results are restated to reflect the newly reportable operating segments in accordance with MFRS 8 *Operating Segments*.

At the end of the Current Period, the Group's activities have been grouped into the following principal areas:

(i) Peninsular Malaysia — Group's investments and operations in Peninsular Malaysia, consisting of (i) PM3 CAA, (ii) PM305 and PM314, (iii) PKNB and (iv) PM327.

<u>PM3 CAA</u>

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

<u>PM305 and PM314</u>

(a) <u>PM305</u>

- Group's investment in its 60% participating interest in PM305, located off the eastern coast of Peninsular Malaysia in the Malay Basin. The PSC for PM305 ceased on 17 March 2024.

  The Group has the obligation to complete the abandonment of the wells and facilities per the PSC terms of PM305. All well abandonment obligations required to be carried out were completed in August 2022. The remaining abandonment obligations of the South Angsi-A facility are estimated to be completed by September 2025.

  The Group is also in the progress of finalising the cash settlement exercise in relation to underlift crude balances.

(b) <u>PM314</u>

- Group's investment in its 60% participating interest in PM314, located off the eastern coast of Peninsular Malaysia in the Malay Basin. The PSC for PM314 ceased on 5 September 2020 and all abandonment obligations required to be carried out per the PSC terms of PM314 were completed in August 2022.

  The Group is in the progress of finalising the cash settlement exercise in relation to underlift crude balances.

11 OPERATING SEGMENTS (CONT'D)

(i) Peninsular Malaysia (Cont'd)

PKNB

Group's investment in its 65% participating interest in PKNB, located in shallow waters between 65 and 75 metres depth offshore the east coast of Peninsular Malaysia.

The investment includes the management of operations relating to the four discovered resource opportunities (gas fields), namely the Pertang, Kenarong, Noring and Bedong fields.

PM327

Group's investment in its 30% non-operated participating interest in PM327, an exploration block located to the south of the PM3 CAA.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.3913 and 4.4719 respectively.

(ii) Sabah Malaysia

Group's investments and operations in Sabah, Malaysia, consisting of (i) North Sabah and (ii) Kinabalu.

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.

Kinabalu

Group's investment in its 60% participating interest in Kinabalu, located off the coast of Sabah, Malaysia. The investment includes the management of the operations relating to the production of petroleum from three existing oil fields (namely Kinabalu Main, Kinabalu East and Kinabalu Far East).

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.3913 and 4.4719 respectively.

11 OPERATING SEGMENTS (CONT'D)

(iii) 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 United Kingdom Continental Shelf.

Anasuria Area

(a) Anasuria Cluster
- Group's investment in its:
  - (i) 50% jointly operated interest in the Licence 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 P185 (Block 21/20a) containing the Cook producing field,
  - (iii) 50% operated interest in the Anasuria FPSO, and
  - (iv) 50% interest in Anasuria Operating Company Limited.

(b) Licence P2451
- Group's investment in its 42.5% operated interest in Licence P2451 (Block 21/28b) containing the Fyne undeveloped field.

(c) Licence P2532
- Group's investment in its 19.3% non-operated interest in Licence P2532 (containing originally Block 21/19c and Block 21/20c) containing originally the Cook West and Cook North field extensions. Ithaca Energy is the operator for the fields.

  On 8 September 2024, the NSTA approved Ithaca Energy's application for partial relinquishment of Block 21/19c and the relinquishment of Block 21/20c.

(d) Licence P2535
- Group's investment in its 100% operated interest in Licence P2535 (Block 21/24d) containing the Teal West field.

  On 7 November 2024, the NSTA granted the application for Licence P2535 to proceed to a third term which involves the execution of a Field Development Plan to progress the development of the Teal West field. The third term expires on 1 December 2042. Concurrently, the NSTA granted the application to surrender part of License P2535, thereby reducing the Block 21/24d acreage held from approximately 58 square km to approximately 17 square km.

11 OPERATING SEGMENTS (CONT'D)

(iii) United Kingdom (Cont'd)

Marigold Area

(a) Marigold field
- Group's investment in its 61.25% operated unit participation in Licence P198 (Block 15/13a) containing the Marigold field, which is unitised with Ithaca Oil and Gas Limited under its Licence P2158 (Block 15/18b), pursuant to the Unitisation and Unit Operating Agreement executed on 15 September 2023.

(b) Sunflower field
- Group's investment in its 87.5% operated interest in Licence P198 (Block 15/13b) containing the Sunflower discovery.

(c) Licence P2518
- Group's investment in its 100% operated interest in Licence P2518 (Block 15/12a and Block 15/17a) containing the Kildrummy discovery.

(d) Licence P2608
- Group's investment in its 100% operated interest in Licence P2608 (Block 15/18a and Block 15/19a) containing the Crown discovery.

(e) Licence P2635
- Group's investment in its 100% operated interest in Licence P2635 (Block 15/13c and Block 15/18c) containing the Cross prospect and hydrocarbon lead northwest of the Marigold field.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.3913 and 4.4719 respectively.

(vi) Brunei

Group's investment in its 37.5% operated interest in the Block B Concession containing Maharajalela Jamalulalam field, located in offshore Brunei. The Maharajalela Jamalulalam field is a producing gas asset.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.3913 and 4.4719 respectively.

(v) Vietnam

Group's investment in its 70% operated 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 4.3913 and 4.4719 respectively.

11 OPERATING SEGMENTS (CONT'D)

(vi) Others

Other segment comprised of the Group's operations in Australia and investment holding and group activities.

Australia

Group's operations in VIC/RL17 Petroleum Retention Lease for the West Seahorse field and investment in 3D Energi Limited.

The functional currency is the AUD. The average and closing rates adopted for conversion to RM in the Current Period are 2.8888 and 2.7748 respectively.

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.

11 OPERATING SEGMENTS (CONT'D)

	Peninsular Malaysia RM'000	Sabah Malaysia RM'000	United Kingdom RM'000	Brunei RM'000	Vietnam RM'000	Others RM'000	Group RM'000
As at 31.12.2024							
Non-current assets	920,832	1,510,670	1,804,820	1,411,296	9,873	8,908	5,666,399
Included in the segment assets is:							
Investment in an associate	-	-	-	-	-	3,572	3,572
Additions to non-current assets	129,842	255,820	70,491	41,118	162	1,639	499,072
Period ended 31.12.2024							
Project management, technical and other service fees	-	-	-	-	-	3,846	3,846
Sales of crude oil, condensate and gas	517,437	438,546	86,630	81,205	-	-	1,123,818
Interest income	-	-	-	-	-	2,907	2,907
Revenue	517,437	438,546	86,630	81,205	-	6,753	1,130,571
Depreciation and amortisation	121,336	59,283	25,938	21,127	944	944	229,572
Profit/(loss) from operations	151,814	134,072	(13,652)	36,433	(1,675)	(43,585)	263,407
Write-off of well exploration costs	(17,497)	-	-	-	-	-	(17,497)
Write-off of equipment	-	-	-	(459)	-	-	(459)
Share of results of an associate	-	-	-	-	-	(367)	(367)
Finance costs	(8,965)	(8,247)	(16,642)	(1,967)	(236)	(24,082)	(60,139)
Interest income	5,271	2,107	7,193	121	51	262	15,005
Taxation	(35,517)	(45,796)	59,905	(19,006)	253	(926)	(41,087)
PAT/(LAT)	95,106	82,136	36,804	15,122	(1,607)	(68,698)	158,863
EBITDA/(LBITDA)	260,924	195,462	19,479	57,222	(680)	(42,746)	489,661

11 OPERATING SEGMENTS (CONT'D)

	Peninsular Malaysia RM'000	Sabah Malaysia RM'000	United Kingdom RM'000	Vietnam RM'000	Others RM'000	Group RM'000
As at 31.12.2023						
Non-current assets	994,455	1,438,838	1,774,176	15,099	7,653	4,230,221
Included in the segment assets is:						
Investment in an associate	-	-	-	-	4,658	4,658
Additions to non-current assets	19,311	354,385	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	504,465	683,899	175,291	-	-	1,363,655
Interest income	-	-	-	-	6,758	6,758
Revenue	504,465	683,899	175,291	-	10,519	1,374,174
Depreciation and amortisation	(115,350)	(77,761)	(35,501)	(1,934)	(662)	(231,208)
Profit/(loss) from operations	181,845	247,352	60,480	(2,696)	(22,681)	464,300
Share of results of an associate	-	-	-	-	(288)	(288)
Finance costs	(9,519)	(8,237)	(15,104)	(314)	(21,037)	(54,211)
Interest income	7,435	6,995	8,042	262	311	23,045
Taxation	(59,367)	(99,206)	(15,606)	632	(2,666)	(176,213)
PAT/(LAT)	120,394	146,904	37,812	(2,116)	(46,361)	256,633
EBITDA/(LBITDA)	304,630	332,108	104,023	(500)	(21,996)	718,265

12 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions within the Group are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2024 RM'000	QUARTER ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2024 RM'000	PERIOD ENDED 31.12.2023 RM'000
Project management, technical and other services fees earned from a related party				
- Ping Petroleum UK PLC	735	762	1,473	1,470

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 2024:

	RM'000
Approved and contracted for:	
Group's capital commitments	585,267
Share of a joint operation's capital commitments	3,459
Total capital commitments approved and contracted for	588,726
Share of a joint operation's other material commitments	31,549
	620,275

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 31.12.2024 RM'000	Current Quarter 31.12.2024 RM'000	Preceding Quarter 30.09.2024 RM'000	Current Quarter vs Preceding Quarter (Change in %)
Peninsular Malaysia				
Revenue	517,437	306,580	210,857	45
EBITDA	**260,924**	**135,745**	**125,179**	**8**
PAT	95,106	36,919	58,187	(37)
Sabah Malaysia				
Revenue	438,546	212,732	225,814	(6)
EBITDA	**195,462**	**110,726**	**84,736**	**31**
PAT	82,136	43,779	38,357	14
United Kingdom				
Revenue	86,630	49,303	37,327	32
EBITDA/(LBITDA)	**19,479**	**33,763**	**(14,284)**	-
PAT	36,804	2,760	34,044	(92)
Brunei				
Revenue	81,205	81,205	N/A	N/A
EBITDA	**57,222**	**57,222**	**N/A**	**N/A**
PAT	15,122	15,122	N/A	N/A
Vietnam				
Revenue	-	-	-	-
LBITDA	**(680)**	**(397)**	**(283)**	**(40)**
LAT	(1,607)	(1,065)	(542)	(96)
Others				
Revenue	6,753	3,356	3,397	(1)
(LBITDA)/EBITDA	**(42,746)**	**2,831**	**(45,577)**	-
LAT	(68,698)	(14,255)	(54,443)	74
Group				
Revenue	1,130,571	653,176	477,395	37
EBITDA	**489,661**	**339,890**	**149,771**	**127**
PAT	158,863	83,260	75,603	10

N/A - Not applicable, as the acquisition of TotalEnergies EP Brunei was completed on 14 October 2024.

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) Peninsular Malaysia

	PM3 CAA		PM305 and PM314		PKNB		PM327		Total	
RM'000	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**
Revenue	517,437	306,580	-	-	-	-	-	-	517,437	306,580
- Crude Oil	310,274	194,912	-	-	-	-	-	-	310,274	194,912
- Gas	207,163	111,668	-	-	-	-	-	-	207,163	111,668
GP	271,000	162,866	1,429	13	-	-	-	-	272,429	162,879
GP margin (%)	*52.4%*	*53.1%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*52.6%*	*53.1%*
EBITDA/(LBITDA)	280,445	160,334	4,070	(2,203)	(5,401)	(4,596)	(18,190)	(17,790)	260,924	135,745
EBITDA/(LBITDA) margin (%)	*54.2%*	*52.3%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*50.4%*	*44.3%*
PBT/(LBT)	150,142	83,473	4,098	(2,155)	(5,427)	(4,618)	(18,190)	(17,790)	130,623	58,910
PBT/(LBT) margin (%)	*29.0%*	*27.2%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*25.2%*	*19.2%*
PAT/(LAT)	113,612	59,949	3,139	(2,096)	(3,455)	(2,992)	(18,190)	(17,942)	95,106	36,919
PAT/(LAT) margin (%)	*22.0%*	*19.6%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*18.4%*	*12.0%*
ETR (%)	24.3%	28.2%	23.4%	2.7%	36.3%	35.2%	-	N/A	27.2%	37.3%

	PM3 CAA		PM305 and PM314*		PKNB**		PM327**	
	Current Period	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**
Crude oil sold (bbls)	920,583	620,071	N/A	N/A	N/A	N/A	N/A	N/A
Average realised oil price (USD per bbl)	80.34	75.34	N/A	N/A	N/A	N/A	N/A	N/A
Gas sold (MMscf)	8,475	4,619	N/A	N/A	N/A	N/A	N/A	N/A
Average realised gas price USD per thousand scf)	5.57	5.46	N/A	N/A	N/A	N/A	N/A	N/A
Average OPEX per boe (USD)	16.22	13.30	N/A	N/A	N/A	N/A	N/A	N/A
Average uptime	91%	97%	N/A	N/A	N/A	N/A	N/A	N/A
Average net oil equivalent production rate (boe per day)	11,127	11,881	N/A	N/A	N/A	N/A	N/A	N/A

* *No operational statistics are available for PM305 and PM314 as the Group has ceased its participating interests in both PSCs in prior periods.*

** *No operational statistics are available for PKNB and PM327 as the PSCs are in development phase and exploration phase respectively.*

<u>PM3 CAA</u>

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

  During the Current Period, PM3 CAA generated a GP of RM271.0 million while GP margin recorded was 52.4%.

  Healthy production levels were recorded in the Current Period due to several factors:

  - Sustained oil production experienced from the H4 reservoirs through optimised water injection;

  - High facilities uptime across CY 2024 contributed to the high production levels. This was made possible after rigorous maintenance activities which have been taking place at the PM3 assets; and

  - On PM3 South platform, water injection capacity was restored to the planned level resulting in strong well performance.

15 PERFORMANCE REVIEW (CONT'D)

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

The average uptime improved after the planned major maintenance campaign for CY 2024 was completed on 28 August 2024. High facilities uptime was maintained post shutdown, which contributed to the sustained production performance.

Costs associated with planned maintenance activities, shutdown related work and certain unplanned additional scopes resulted in a relatively high OPEX recorded in the Current Period of USD16.22 per boe, despite the reasonably high average gross oil equivalent production rate.

Included in the EBITDA of RM280.4 million was unrealised foreign exchange gains of RM10.5 million. The USD, being the PSC's functional currency, had depreciated against the RM during the Current Period when compared to 30 June 2024. The period-end retranslation of the PSC's RM-denominated receivables mainly from inter-companies resulted in these unrealised gains. As the balances were with inter-companies, there was no impact at Group level. For information, the closing exchange rate as at 31 December 2024 between the USD and the RM was 4.4719 while the rate as at 30 June 2024 was 4.7200.

In November 2024, the IRB completed its audit on the tax returns for PITA submitted and issued Notices of Additional Assessment for YA 2019 to YA 2021. Following this, overprovisions for the additional tax of RM3.0 million and penalty of RM1.4 million were adjusted to taxation and other expenses respectively in profit or loss.

The PSC's PBT of RM150.1 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 RM99.9 million;
- Depreciation of right-of-use assets of RM21.4 million; and
- Unwinding of discount on provision for decommissioning costs of RM4.0 million.

15 PERFORMANCE REVIEW (CONT'D)

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

Taxation

The tax regime under which Malaysian oil and gas activities are governed under the Petroleum (Income Tax) Act 1967 and is thus applicable to PM3 CAA.

This PSC is also subject to income tax obligations in Barbados (at 1.0%) and Corporate (Income Tax) Act 1967 (at 24.0%).

RM'000	PITA	CITA	Barbados tax	Total
Total	(27,974)	(6,917)	(1,639)	(36,530)
Income tax	(39,894)	(6,917)	(1,901)	(48,712)
- Provision	(54,477)	(7,481)	(1,901)	(63,859)
- Net reversal of overprovisions in current and prior YAs	14,583	564	-	15,147
Deferred tax	11,920	-	262	12,182
- Deferred tax liabilities	22,900	-	-	22,900
- Reversal	21,766	-	-	21,766
- Reversal of overprovisions in prior YAs	1,134	-	-	1,134
- Deferred tax assets	(10,980)	-	262	(10,718)

During the Current Period, the PSC recognised a net tax expense of RM36.5 million, delivering an ETR over PBT of 24.3%. The following reversals of overprovision of taxes recorded during the Current Period resulted in the low net tax expense amount:

- PITA YA 2019 to YA 2021 – Upon conclusion of tax audit as explained above, the overprovision of taxes of RM3.0 million was reversed; and

- PITA YA 2022 to YA 2024 and CITA YA 2019 – Reversal of overprovision of taxes of RM12.7 million and RM0.6 million respectively upon the reassessment of the provisions in the respective YAs.

Omitting the impact of the abovementioned overprovision adjustments would result in a "normalised" net tax expense of RM52.8 million in the Current Period, delivering a "normalised" ETR over PBT of 35.2%. This was marginally lower than the 38.0% PITA rate due to below:

- Unrealised foreign exchange gains recognised being non-taxable;

- Overhead income received by Hibiscus Oil & Gas as operator allowed under the Joint Operating Agreements that is non-taxable under the Petroleum (Income Tax) Act 1967 (as it is taxed in Barbados instead at the lower rate of 1.0%); and

- Interest income being taxed under the Corporate (Income Tax) Act 1967 at the lower rate of 24%.

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 RM306.6 million to the Group's Revenue in the Current Quarter.

The PSC reported favourable operational performance in the Current Quarter. The average net oil equivalent production rate was 11,881 boe per day. The high production level was attributed to:

- Sustained performance from the H4 reservoirs through optimised water injection and careful monitoring of watercut trend;
- Stable gas demand from buyers;
- High facilities uptime maintained post maintenance shutdown with minimal unplanned downtime;
- Strong well performance supported by a successful well intervention program; and
- Effective pressure maintenance through water injection, particularly critical for PM3 South platform late life wells.

The average OPEX per boe recorded was relatively high at USD13.30 despite higher production levels due to higher OPEX incurred.

OPEX incurred included costs associated with:

- Annual planned major maintenance campaign for CY 2024 which had spilled over from the Preceding Quarter;
- Daily planned and unplanned maintenance related activities; and
- Certain technical studies in relation to the PM3 area.

The PSC achieved an EBITDA of RM160.3 million in the Current Quarter.

The PSC's PBT of RM83.5 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 RM61.9 million;
- Depreciation of right-of-use assets of RM10.2 million; and
- Unwinding of discount on provision for decommissioning costs of RM2.0 million.

15 PERFORMANCE REVIEW (CONT'D)

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

Taxation

RM'000	PITA	CITA	Barbados tax	Total
Total	(18,005)	(4,512)	(1,007)	(23,524)
Income tax	(38,206)	(4,512)	(1,434)	(44,152)
- Provision	(46,332)	(5,076)	(1,434)	(52,842)
- Net reversal of overprovisions in current and prior YAs	8,126	564	-	8,690
Deferred tax	20,201	-	427	20,628
- Deferred tax liabilities	24,758	-	-	24,758
- Reversal	23,624	-	-	23,624
- Reversal of overprovisions in prior YAs	1,134	-	-	1,134
- Deferred tax assets	(4,557)	-	427	(4,130)

The PSC recorded a RM23.5 million net tax expense in the Current Quarter, which resulted in an ETR over PBT of 28.2%. This was lower than the 38.0% PITA rate mainly due to the reversals of overprovision of taxes in the following YAs:

- PITA YA 2019 to YA 2021 (RM0.6 million) upon finalisation of the respective tax audits in November 2024; and
- PITA YA 2022 to YA 2024 and CITA YA 2019 (RM8.6 million and RM0.6 million respectively) upon the reassessment of the provisions in the respective YAs.

PM305 and PM314

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

The Group relinquished its participating interests in both PSCs in prior periods.

PBT of RM4.1 million comprised mainly of net foreign exchange gains of RM2.8 million which arose from the period-end retranslation performed on external third-party balances denominated in RM. The USD, being the PSC's functional currency, had depreciated against the RM.

In addition, there was a RM1.4 million gain recorded due to an upward adjustment to the estimated settlement price applied on the underlift crude oil balance after having received an updated price proposed by the host government in writing.

In the Current Period, a net RM1.0 million tax expense was recognised which resulted in an ETR over PBT of 23.4%. This was lower than the PITA rate of 38.0% mainly due to unrealised foreign exchange gains recorded being non-taxable and an allowable deduction for facilities decommissioning costs incurred.

15 PERFORMANCE REVIEW (CONT'D)

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

- **Current quarter results**

  PM305 and PM314's LBT in the Current Quarter was impacted by unrealised foreign exchange losses of RM2.0 million, which arose from the appreciation of the USD against the RM (when compared to 30 September 2024), impacting the quarter-end revaluation of USD-denominated balances.

  PM305 and PM314 recorded and net tax credit of RM0.1 million and an ETR of 2.7% in the Current Quarter, due to the non-tax deductibility of unrealised foreign exchange losses.

PKNB

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

  The Group was awarded 65% participating interest in the PSC by PETRONAS in the Preceding Quarter.

  Expenses reflected in profit or loss comprised mainly of payroll-related expenses and a one-off fee paid to PETRONAS upon the award of the PKNB PSC amounting to RM4.6 million and RM0.7 million respectively.

  The PSC recorded a tax credit of RM2.0 million. The resulting ETR of 36.3% was fairly consistent with the PITA rate of 38.0%.

- **Current quarter results**

  LBT of RM4.6 million consisted mainly of payroll-related costs of RM4.6 million.

  A net tax credit of RM1.6 million was recognised in the Current Quarter which resulted in an ETR of 35.2%. The ETR recognised was fairly 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)

PM327

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

  The farm-in for 30% participating interest in PM327 was completed on 30 September 2024.

  During the Current Quarter, the Rosebay-1 exploration well, being a commitment well in Block PM327 was drilled by the operator, PETRONAS Carigali. The well was drilled on 3 December 2024 and reached its final depth on 28 December 2024. The operator has classified Rosebay-1 well as a technical success as two minor gas sands in the H-45 and I-45 reservoirs were encountered. The results of this well have provided a better understanding of the subsurface prospectivity of the area and the learnings will be applied to enhance the chance of success for future exploration wells in Block PM327. Whilst the data obtained from this well may contribute to future discoveries and developments in the PM327 area, the Group wrote off its share of the exploration costs incurred of RM17.5 million.

  A deferred tax asset has not been recognised on the amount written off per the provisions of MFRS 112 *Income Taxes*. In accordance with MFRS 112 *Income Taxes*, a deferred tax asset can be recognised when it is probable that future taxable profits will be available to utilised against such deferred tax asset recognised. The anticipated future taxable profits from PM327 does not meet the criteria as the PSC is currently in the exploration stage.

- **Current quarter results**

  The result of the PSC in the Current Quarter was mainly impacted by the write-off of the well exploration costs of RM17.5 million as explained 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)

(ii) Sabah Malaysia

	North Sabah		Kinabalu		Total	
RM'000	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**
Revenue	328,141	102,327	110,405	110,405	438,546	212,732
GP	193,251	58,155	68,224	70,626	261,475	128,781
GP margin (%)	*58.9%*	*56.8%*	*61.8%*	*64.0%*	*59.6%*	*60.5%*
EBITDA	145,516	54,467	49,946	56,259	195,462	110,726
EBITDA margin (%)	*44.3%*	*53.2%*	*45.2%*	*51.0%*	*44.6%*	*52.0%*
PBT	111,246	36,190	16,686	39,719	127,932	75,909
PBT margin (%)	*33.9%*	*35.4%*	*15.1%*	*36.0%*	*29.2%*	*35.7%*
PAT	66,680	21,669	15,456	22,110	82,136	43,779
PAT margin (%)	*20.3%*	*21.2%*	*14.0%*	*20.0%*	*18.7%*	*20.6%*
ETR (%)	40.1%	40.1%	7.4%	44.3%	35.8%	42.3%

	North Sabah		Kinabalu	
	Current Period	**Current Quarter**	**Current Period**	**Current Quarter**
Crude oil sold (bbls)	919,218	306,085	304,528	304,528
Average realised oil price (USD per bbl)	81.84	77.80	82.56	82.56
Average OPEX per bbl (USD)	23.94	20.90	23.42	27.26
Average uptime	90%	92%	79%	85%
Average net oil production rate (bbls per day)	4,611	4,882	2,407	2,443

<u>North Sabah</u>

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

  The North Sabah PSC reported a GP of RM193.3 million and GP margin of 58.9%.

  The key operational metrices of the PSC were impacted by the following events:

  - The unavailability of a compressor at the St Joseph field since June 2024 for which rectification works were completed in October 2024; and

  - Shutdown of production from several wells in September 2024 for eight days caused by the delay of a drilling rig entry into the South Furious 30 field due to unfavourable weather conditions.

  The impact of the abovementioned events on North Sabah's production was partly mitigated by additional production from the South Furious 30 new infill wells, with first oil being achieved on 31 October 2024.

15 PERFORMANCE REVIEW (CONT'D)

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

OPEX incurred included costs associated with the following:

- Routine and preventive maintenance activities which covers various maintenance categories including electrical, static, rotating, instrument and field maintenance; and
- Sub-surface routine production enhancement and slickline activities which are part of well intervention campaign activities.

The EBITDA of RM145.5 million was delivered after charging SbST and supplemental payment of RM16.4 million and RM16.3 million respectively.

The following non-cash items were deducted from EBITDA to arrive at a PBT of RM111.2 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM24.1 million;
- Depreciation of right-of-use assets of RM2.8 million; and
- Unwinding of a discount on provision for decommissioning costs of RM2.9 million.

North Sabah is governed under the Petroleum (Income Tax) Act 1967, at the rate of 38.0%. Total net tax expenses in the Current Period amounted to RM44.6 million and the resulting ETR over PBT of 40.1% was broadly consistent with the PITA rate.

- **Current quarter results**

  In the Current Quarter, North Sabah's production was boosted by the additional production from the South Furious 30 new infill wells.

  The average OPEX per bbl recorded was USD20.90 while the average net oil production rate was 4,882 bbls per day.

  The EBITDA of RM54.5 million was achieved after charging supplemental payment and SbST of RM7.5 million and RM5.1 million respectively.

  The PSC recorded a PBT of RM36.2 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 RM13.2 million;
  - Depreciation of right-of-use assets of RM1.2 million; and
  - Unwinding of discount on provision for decommissioning costs of RM1.4 million.

  Total net tax expenses in the Current Quarter were RM14.5 million. The resulting ETR over PBT was 40.1%.

15 PERFORMANCE REVIEW (CONT'D)

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

Kinabalu

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

  Kinabalu's average net oil production rate in the Current Period was 2,407 bbls per day. This relatively low production rate reported was mainly the result of the following events:

  - Spillover of CY 2024's maintenance campaign from financial quarter ended 30 June 2024 by five days;

  - Reduced production from the KND-18 well caused by higher sand and water production since June 2024. This caused a shut in of the well due to the difficulties handling high amounts of sand at surface;

  - Start-up operational issues post the annual planned major maintenance campaign for CY 2024 in July 2024 lasting twelve days; and

  - Shut-in of the KN-116 (from 29 September 2024 to 9 December 2024) and KN-114 (8 October 2024 to 17 December 2024) wells to facilitate the installation of the ESPs. The ESPs are planned to increase production from KN-114 and KN-116 through improved lifting over current gas lift operation.

  The lower average net oil production rate resulted a higher OPEX per bbl of USD23.42.

  The PSC reported an EBITDA of RM49.9 million in the Current Period after charging supplemental payment and SbST of RM17.4 million and RM5.5 million respectively.

  The following non-cash items were deducted from EBITDA to derive a PBT of RM16.7 million:

  - Amortisation of intangible assets and depreciation of oil and gas assets of RM31.9 million;

  - Depreciation of right-of-use assets of RM0.4 million; and

  - Unwinding of discount on provision for decommissioning costs of RM0.5 million.

15 PERFORMANCE REVIEW (CONT'D)

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

Taxation

Kinabalu is governed under the Petroleum (Income Tax) Act 1967, at the rate of 38.0%. This PSC is also subject to income tax obligations in Barbados (at 1.0%) and Corporate (Income Tax) Act 1967 (computed on interest income received on inter-company advances and from bank deposits, at 24.0%).

The net tax expense of RM0.9 million recognised by the PSC for PITA in the Current Period resulted in an ETR of 5.3%, which was significantly lower than the PITA rate. It was mainly due to unrealised foreign exchange gains of RM7.5 million being non-taxable and overhead income that is non-taxable under PITA (as it is taxed in Barbados instead at the lower rate of 1.0%).

- **Current quarter results**

The operational performance in the Kinabalu PSC during the Current Quarter was impacted by the shut-in of the KN-116 and KN-114 wells for installation of the ESPs (completed 9 December 2024 and 17 December 2024 respectively), coupled with lower than expected production gains following the commissioning of the ESPs. In addition to that, the duration of shut-in of KN-116 and KN-114 was longer than planned, due to the delays in associated workover operations.

This resulted in a low average net oil production rate of 2,443 bbls per day and higher OPEX per bbl of USD27.26.

In the Current Quarter, the Kinabalu PSC attained an EBITDA of RM56.3 million after charging SbST and supplemental payment incurred which amounted to RM5.5 million and RM0.1 million respectively. The minimal amount charged in respect of supplemental payment in the Current Quarter was due to the reversal of overprovisions in prior periods.

The following non-cash items were deducted from EBITDA to arrive at a PBT of RM39.7 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM15.6 million;
- Depreciation of right-of-use assets of RM0.2 million; and
- Unwinding of discount on provision for decommissioning costs of RM0.2 million.

15 PERFORMANCE REVIEW (CONT'D)

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

Taxation

The PSC recognised a net tax expense in the Current Quarter amounting to RM17.6 million. The resulting ETR over PBT of 44.3% was higher than the PITA rate of 38.0%. It was mainly due to unrealised foreign exchange losses of RM8.6 million being non-tax deductible, but was partly offset by overhead income of RM2.1 million that was taxed at the lower rate of 1.0% in Barbados.

(iii) United Kingdom

RM'000	Current Period	Current Quarter
Revenue	86,630	49,303
- Crude Oil	80,508	45,538
- Gas	6,122	3,765
GP	31,944	30,281
GP margin (%)	*36.9%*	*61.4%*
EBITDA	19,479	33,763
EBITDA margin (%)	22.5%	68.5%
(LBT)/PBT	(23,101)	8,825
(LBT)/PBT margin (%)	(26.7%)	17.9%
PAT	36,804	2,760
PAT margin (%)	*42.5%*	*5.6%*
ETR (%)	259.3%	68.7%

	Current Period	Current Quarter
Crude oil sold (bbls)	236,880	133,893
Average realised oil price (USD per bbl)	75.09	74.50
Gas sold (MMscf)	126	73
Average realised gas price (USD per thousand scf)	11.40∞ / 10.65#	12.38∞ / 19.98#
Average OPEX per boe (USD)	50.67	30.84
Average uptime	62%	78%
Average daily oil equivalent production rate (boe per day)	1,434	1,819

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

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

The UK segment's operational performance in the Current Period has been adversely impacted by a planned 2024 Offshore Turnaround that took place from 3 August 2024 to 10 September 2024 for a period of 38 days. The FPSO facilities were completely shut down during this period for planned maintenance to improve the reliability and integrity of the Anasuria FPSO in addition to ensuring a safe offshore working environment. Turnarounds typically occur every two years. The costs incurred formed part of the Current Period's cost of sales.

Production at the Anasuria Cluster was brought back online on 10 September 2024. However, wells supported by gas lift were not returned to production until two further operational issues were resolved:

- Leaking gasket on a gas scrubber; and
- Oil contamination event in the gas compression system.

These technical issues were resolved by late October 2024 and full production has resumed.

As a result of the abovementioned events, both the average uptime and average daily oil equivalent production rate recorded for the Current Period were relatively low, at 62% and 1,434 boe per day respectively. The average OPEX per boe for the Current Period was USD50.67.

15 PERFORMANCE REVIEW (CONT'D)

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

Due to the low production levels, bbls of crude oil sold from the offtakes undertaken and gas sold in the Current Period were lower than normally expected, at 236,880 bbls and 126 MMscf respectively.

As a direct consequence of the weak operational performance, the profits reported by the segment were lower. GP attained in the Current Period was RM31.9 million (36.9% margin over revenue).

Included in the UK segment's EBITDA were net unrealised losses of RM4.1 million. The USD, being the UK segment's functional currency, had depreciated against the RM and the GBP during the Current Period when compared to 30 June 2024. The period-end retranslation of the segment's RM-denominated payables owed to the Group's inter-companies contributed to most of such unrealised losses. As the balances were with inter-companies, there was no impact at Group level.

LBT recorded for the segment of RM23.1 million was arrived at mainly after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM25.8 million; and

- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM13.5 million and RM1.0 million respectively.

<u>Taxation</u>

RM '000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	17,310	45,787	(3,192)	59,905
Income tax	-	2,243	(3,192)	(949)
Deferred tax	17,310	43,544	-	60,854
- Deferred tax liabilities	(13,087)	(10,237)	-	(23,324)
- Recognition	(23,425)	(19,672)	-	(43,097)
- Reversal	10,338	9,435	-	19,773
- Deferred tax assets	30,397	53,781	-	84,178

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

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 the SC and was revised upwards to 35.0% with effect from 1 January 2023.

15 PERFORMANCE REVIEW (CONT'D)

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

On 1 November 2024, the following two changes were introduced to the EPL regime:

- The levy rate was increased to 38.0% from 35.0%; and
- The 29.0% uplift available for certain categories of CAPEX which resulted in a 129.0% offset against taxable income was removed, hence the relief is now restricted to 100.0% only. (Note: Decarbonisation expenditures will continue to qualify for uplift but at reduced rate of 166.0%, reduced from the previous rate of 180.0%.)

The ESIM, which was legislated on 24 May 2024, provides that the EPL will permanently be disapplied if average oil and gas prices are both at or below the ESIM price threshold for two consecutive quarters. These threshold prices are indexed annually from 1 April 2024 using the preceding December's Consumer Prices Index in the UK. For the UK Government's financial year 2024/2025 commencing 1 April 2024, the prices are USD74.21 per bbl of oil and GBP0.57 per therm of gas.

The EPL regime currently applies until 31 March 2028. However, an extension to 31 March 2030 is expected based on the Autumn Budget 2024 delivered by the UK Government on 30 October 2024. This measure was included in the Autumn Finance Bill 2024 which is currently passing through the House of Commons. Based on the UK law making process, a Finance Bill is regarded as substantively enacted once it has passed through the House of Commons even though it is awaiting passage through the House of Lords and Royal Assent. Based on the Parliament Acts 1911, it is not possible for the House of Lords to change a "money" bill once it has been passed by the House of Commons. Whilst the outcome of the passage of the relevant legislation is not yet determined, should it be passed by the House of Commons, then an estimated non-cash additional deferred tax liability of approximately RM140.0 million (computed based on the carrying values of the intangible and oil and gas assets as at 31 December 2024, representing additional taxable temporary differences expected to be reversed during the window for which the EPL regime applies, i.e. 31 March 2030) shall be recognized in the future. This estimate is subject to change upon enactment when the actual effective date has been determined. Accordingly, as it was not enacted or substantively enacted by 31 December 2024, the impact that may be brought about by this proposed change has not been included in Anasuria Hibiscus UK's taxation reported for the Current Period.

15 PERFORMANCE REVIEW (CONT'D)

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

- RFCT and SC

  The segment recorded a net tax credit in the Current Period amounting to RM17.3 million.

  The resulting ETR of 74.9% arising on the LBT was higher than the statutory rates of 40.0%. This was mainly due to an element of non-ring fenced income that are outside the scope of RFCT and SC (mainly interest income earned from the restricted cash placed in trust for decommissioning the facilities of the Anasuria Cluster). In addition, an element of CAPEX incurred qualifies for additional allowances as provided under the SC regime.

- EPL

  In the Current Period, a net tax credit of RM45.8 million was recognised.

  The ETR of 198.2% derived against the LBT was higher than the statutory rate of 38.0%. It was mainly due to the availability of unutilised additional allowances generated from CAPEX investments that are expected to be offset against future taxable income. The reversal of deferred tax liabilities previously recognised on taxable temporary differences expected to reverse during the window for which the EPL regime applies has also affected the rate.

  Upon a re-assessment of EPL obligations previously taken up in the Preceding Year, a reversal of an overprovision of tax of RM2.2 million was recognised in the Current Period. The reversal meant there was no EPL payable for the Preceding Year.

  These were partly offset by deferred tax liabilities recognised on taxable temporary differences that arose during the Current Period. In addition, a one-off addition to the deferred tax liabilities balance of RM7.3 million was taken in the Current Period, incurred at the point when the EPL rate was revised upwards by 3.0% on 1 November 2024.

  The Group's intention remains to phase our UK CAPEX program such that we optimise the incentives offered by UK Government for decarbonisation initiatives within the UK oil and gas sector, and this encourages us to identify further opportunities that will reduce our overall carbon footprint.

15 PERFORMANCE REVIEW (CONT'D)

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

(ii) Non-ring fenced

Non-ring fenced taxation in the UK applies to income generated that does not arise from the exploration and production of oil and gas. In Anasuria Hibiscus UK, the main element of income within this category is the interest income earned from 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%. The segment recorded a net tax charge of RM3.2 million in the Current Period.

- **Current quarter results**

The Current Quarter's GP and EBITDA were RM30.3 million (61.4% margin over revenue) and RM33.8 million (68.5% margin over revenue) respectively. The average realised oil price per bbl attained for crude oil sold by the Anasuria Cluster was at USD74.50.

The UK segment's operational performance in the Current Quarter was impacted by an oil contamination encountered in the gas compression system. This issue was resolved in late October 2024 and full production resumed thereafter.

The average uptime and the average daily oil equivalent production rate recorded for the Current Quarter were 78% and 1,819 boe per day respectively. The average OPEX per boe recorded was USD30.84.

It should be noted that for January 2025, the average uptime and the average daily oil equivalent production rate recorded for the month was approximately 97.0% and USD26.00 per boe respectively.

PBT recorded for the segment of RM8.8 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 RM16.5 million; and

- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM6.8 million and RM0.5 million respectively.

15 PERFORMANCE REVIEW (CONT'D)

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

Taxation

RM '000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	(4,421)	(70)	(1,574)	(6,065)
Income tax	-	21	(1,574)	(1,553)
Deferred tax	(4,421)	(91)	-	(4,512)
- Deferred tax liabilities	(2,441)	(13,207)	-	(15,648)
- Recognition	(9,057)	(19,385)	-	(28,442)
- Reversal	6,616	6,178	-	12,794
- Deferred tax assets	(1,980)	13,116	-	11,136

(i) Ring fenced

- RFCT and SC

  The segment recorded a net tax charge in the Current Quarter amounting to RM4.4 million.

  The resulting ETR of 50.1% was higher than the statutory rates of 40.0%. This was mainly due to a portion of unrealised foreign exchange losses recognised that is outside the scope of RFCT and SC.

- EPL

  In the Current Quarter, a net tax charge of RM0.1 million was recognised.

  Deferred tax liabilities were recognised on taxable temporary differences that arose during the Current Quarter. In addition, a one-off non-cash in nature addition to the deferred tax liabilities balance incurred at the point when the EPL rate was revised upwards by 3.0% on 1 November 2024, was taken in the Current Quarter which amounted to RM7.3 million.

  These were generally offset by the availability of unutilised additional allowances generated from CAPEX investments that will be used to offset against future taxable income.

(ii) Non-ring fenced

The segment recorded a net tax charge of RM1.6 million in the Current Quarter mainly 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.

15 PERFORMANCE REVIEW (CONT'D)

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

(iv) Brunei

RM'000	Current Period	Current Quarter
Revenue	81,205	81,205
GP	61,135	61,135
GP margin (%)	*75.3%*	*75.3%*
EBITDA	57,222	57,222
EBITDA margin (%)	*70.5%*	*70.5%*
PBT	34,128	34,128
PBT margin (%)	*42.0%*	*42.0%*
PAT	15,122	15,122
PAT margin (%)	*18.6%*	*18.6%*
[redacted]		
ETR (%)	55.7%	55.7%

	Current Period	Current Quarter
Condensate sold (bbls)	-	-
Average realised condensate price (USD per bbl)	-	-
Gas sold (MMscf)	2,774	2,774
Average realised gas price (USD per thousand scf)	4.65	4.65
Average OPEX per boe (USD)	7.90	7.90
Average uptime	90%	90%
Average net oil equivalent production rate (boe per day)	6,993	6,993

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

  The Group completed the acquisition of TotalEnergies EP Brunei on 14 October 2024. Accordingly, the financial performance of the segment for the Current Period covered 15 October 2024 to 31 December 2024.

  During the Current Period, the segment contributed RM81.2 million to revenue and RM61.1 million to gross profit from the sale of gas. Gross profit margin was 75.3%.

  The average net condensate and gas production rate in the Current Period was impacted by a stoppage of gas export experienced from 19 November 2024 to 27 November 2024 due to the shutdown of the customer, Brunei Liquified Natural Gas plant at Lumut.

  In addition to costs associated with routine maintenance activities, OPEX incurred in the Current Period included costs for the CY 2024 well intervention campaign, where two out of the five planned wells were completed.

  The segment's PBT was RM34.1 million. It was derived mainly after deducting the following items from the EBITDA, all of which are non-cash in nature:

  - Amortisation of intangible assets and depreciation of oil and gas assets of RM20.4 million; and
  - Depreciation of right-of-use assets of RM0.7 million; and
  - Unwinding of discount on provision for decommissioning costs of RM1.7 million.

  The tax expenses comprised of tax charges from petroleum operations and non-petroleum operations at the rate of 55.0% and 18.5% respectively. The net tax expenses in the Current Period were RM19.0 million, at the effective tax rate of 55.7%.

15 PERFORMANCE REVIEW (CONT'D)

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

- **Current quarter results**

  As the acquisition of TotalEnergies EP Brunei took place on 14 October 2024, commentary for the Current Quarter is similar to that illustrated above for "Financial year-to-date results".

(v) Vietnam

RM'000	Current Period	Current Quarter
Revenue	-	-
LBITDA	(680)	(397)
LBITDA margin (%)	N/A	N/A
LBT	(1,860)	(1,065)
LBT margin (%)	N/A	N/A
LAT	(1,607)	(1,065)
LAT margin (%)	N/A	N/A
ETR (%)	13.6%	N/A

	Current Period	Current Quarter
Crude oil sold (bbls)	-	-
Average realised oil price (USD per bbl)	-	-
Average OPEX per bbl (USD)	42.53	25.77
Average uptime	91%	97%
Average net oil production rate (bbls per day)	111	120

The Vietnam segment consists of the Block 46 PSC.

<u>Block 46</u>

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

  In the Current Period, the Vietnam segment recorded a LAT of RM1.6 million.

  No crude oil was sold 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 RM0.3 million was recognised by the segment. It was primarily due to the reversal of deferred tax liabilities arising from the depreciation of oil and gas assets.

- **Current quarter results**

  There was no sale of crude oil 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.

  In the Current Quarter, the tax credit arose from the reversal of deferred tax liabilities arising from the depreciation of oil and gas assets was partly offset by the reversal of deferred tax assets arising from movements in the provision for decommissioning costs.

15 PERFORMANCE REVIEW (CONT'D)

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

(vi) Others

RM'000	Total Current Period	 Current Quarter
Revenue	6,753	3,356
(LBITDA)/EBITDA	(42,746)	2,831
(LBITDA)/EBITDA margin (%)	*(633.0%)*	*84.4%*
LBT	(67,772)	(13,749)
LBT margin (%)	*(1003.6%)*	*(409.7%)*
LAT	(68,698)	(14,255)
LAT margin (%)	*(1017.3%)*	*(424.8%)*
ETR (%)	N/A	N/A

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

  This segment recorded a LAT of RM68.7 million in the Current Period.

  In the Current Period, the segment recorded unfavourable unrealised foreign exchange differences of RM14.1 million. The RM had appreciated against the USD as at 31 December 2024 when compared to 30 June 2024. A significant portion of the foreign exchange differences arose from quarter-end revaluation of inter-company balances, and as a result, there was no adverse impact to the Group.

  Included in interest expenses recorded by the segment were mainly RM14.9 million incurred on a term loan drawn down and RM8.4 million incurred in relation to a prepayment facility utilised. The prepayment facility was utilised in the Current Quarter to part finance the purchase consideration for the acquisition of TotalEnergies EP Brunei.

  Major components of other expenses recorded were corporate overheads, professional and consultancy fees, business development activities and depreciation expense.

  The segment reported a tax expense of RM0.9 million, charged on interest income earned.

- **Current quarter results**

  Included in the segment's LAT in the Current Quarter was interest expenses of RM16.1 million, incurred mainly on a term loan and a prepayment facility. In addition, other expenses incurred mainly relate to corporate overheads, professional and consultancy fees, corporate development activities and depreciation expense.

  The abovementioned expenses were partly offset by the period-end retranslation of the segment's USD-denominated balances, which resulted in unrealised foreign exchange gains of RM14.3 million being recognised. A significant portion of such USD denominated balances are to intercompanies.

  Tax expense charged on interest income earned in the Current Quarter amounted to RM0.5 million.

15 PERFORMANCE REVIEW (CONT'D)

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

(B) Statements of Financial Position

(i) Non-current Assets

As at 31 December 2024, the Group's non-current assets amounted to RM5,666.4 million, representing an increase of RM1,397.2 million from RM4,269.2 million as at 30 June 2024.

The increase was mainly driven by the inclusion of the amount attributable to the fair value of identifiable non-current assets of TotalEnergies EP Brunei of RM1,041.7 million and goodwill which arose from applying the provisions of MFRS 3 *Business Combinations* for this transaction of RM295.3 million (please refer to Part A, Note 7(ii) of this Quarterly Report for further details).

CAPEX invested by North Sabah for the South Furious 30 Waterflood project in the Current Period amounted to RM160.9 million.

In addition, RM96.3 million was invested in Kinabalu for an ESP wells rig move project, a redevelopment project involving a development drilling campaign and debottlenecking activities, a canned installed pumping system project and a gas turbine generator fire and gas system project.

There was also RM58.4 million invested by PM3 CAA for the H4 development drilling campaign, the turbine engine replacement exercise and well workover activities.

On 30 September 2024, Straits Hibiscus completed the farm-in of 30% participating interest into the PM327 PSC (with an effective date of 5 July 2024). The cost to purchase the farm in interest amounted to RM51.7 million (equivalent to USD11.8 million) has been capitalised as non-current intangible assets at the end of the Current Period.

In the UK, CAPEX invested in the Current Period for Teal West, the Anasuria Cluster, the Marigold and Sunflower fields and Fyne amounted to RM36.0 million, RM17.8 million, RM2.7 million and RM1.6 million respectively.

Subsequent to the completion of the acquisition of TotalEnergies EP Brunei, CAPEX invested on the Block B Maharajalela Jamalulalam field amounted to RM41.1 million for low pressure compressor project.

As at 31 December 2024, subsequent to the revaluation of the non-current assets balances of subsidiaries of which their functional currencies were not denominated in RM, the Group recorded unfavourable foreign exchange differences amounting to RM165.3 million. This resulted in a decrease in the Group's non-current assets balances. This was mainly caused by the depreciation of the USD against the RM as at 31 December 2024 when compared to 30 June 2024. For information, the corresponding double entry in the Group's financial statements was to other reserves (in the Statements of Financial Position) thus no impact on profit or loss.

In addition, the Group's non-current assets were further reduced by the depreciation and amortisation of equipment, intangible assets and right-of-use assets totalling RM229.6 million.

15 PERFORMANCE REVIEW (CONT'D)

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

(ii) Current Assets

Current assets decreased from RM2,335.2 million as at 30 June 2024 to RM2,000.4 million as at 31 December 2024.

The lower current assets balance of the Group as at 31 December 2024 was due to lower cash and bank balances by RM378.5 million, lower other receivables, deposits and prepayments balances by RM185.8 million and lower trade receivables balances by RM181.3 million.

The lower other receivables, deposits and prepayments balances as at 31 December 2024 was mainly due to reversal of deposit paid for the acquisition of TotalEnergies EP Brunei of RM231.3 million upon completion of the acquisition. In addition, there were lower amounts to be reimbursed by the joint venture partner of PM3 CAA of RM79.1 million.

Trade receivable balances were lower when compared to the balance as at 30 June 2024. The 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 from the Group's producing assets.

The above transactions, that decreased the Group's current assets balance, were partly offset by the inclusion of the current assets of the Hibiscus EP Brunei after completing the acquisition of TotalEnergies EP Brunei on 14 October 2024. Balances related to the Hibiscus EP Brunei as at 31 December 2024 amounted to RM386.8 million. These balances did not exist as at 30 June 2024.

In addition, the Group recorded higher receivables to be reimbursed by the respective joint venture partners of North Sabah and Kinabalu by RM106.5 million and RM16.8 million respectively. The tax recoverable and inventories balances increased by RM23.8 million and RM5.1 million respectively.

(iii) Total Liabilities

The Group's total liabilities amounted to RM4,671.6 million as at 31 December 2024, an increase of RM1,167.7 million from RM3,503.9 million as at 30 June 2024.

The total liabilities balance of Hibiscus EP Brunei as at 31 December 2024 amounted to RM904.9 million. These balances did not exist as at 30 June 2024.

Higher operations-related payables and accruals balances in the Kinabalu and North Sabah by RM221.5 million in total was mainly due to high CAPEX investments during the Current Period. In addition, there was also a RM22.3 million increase to the PM327 PSC's liabilities which arose from an amount payable to PETRONAS Carigali.

15 PERFORMANCE REVIEW (CONT'D)

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

(iii) Total Liabilities (Cont'd)

The Group drew down a revolving credit facility amounting to RM107.3 million to finance the Group's working capital requirements and a prepayment facility amounting to RM493.1 million to part finance the purchase consideration for the acquisition of TotalEnergies EP Brunei. The outstanding balance of the prepayment facility as at 31 December 2024 is RM319.4 million.

The abovementioned increase in the total liabilities balance were partly offset by a reduction in provision for taxation by RM122.0 million mainly due to repayments made and lower operational-related payables and accruals in PM3 CAA by RM37.9 million.

In addition, the outstanding balances for the term loan and lease liabilities reduced mainly due to repayments made of RM126.9 million while the deferred tax liabilities and provision of decommissioning costs balances reduced by RM75.8 million and RM34.7 million respectively when compared to 30 June 2024.

(iv) Total Equity

Total equity as at 31 December 2024 decreased by RM105.2 million when compared to 30 June 2024.

The Group is required to revalue the assets and liabilities of subsidiaries that have functional currencies which are denominated in currencies other than the RM at each reporting date. The resulting unrealised foreign exchange differences are required to be posted to other reserves. As at 31 December 2024, the Group had recognised the resulting unrealised unfavourable foreign exchange differences from this revaluation exercise amounting to RM146.5 million due to the depreciation of the USD compared to 30 June 2024.

During the Current Period, the Company repurchased 40,014,900 of its issued ordinary shares from open market on Bursa Securities. The cost of repurchasing the shares amounted to RM82.5 million. The repurchased shares are held as treasury shares. 36,566,600 of the treasury shares repurchased up to 31 December 2024 were cancelled during the Current Period, and resulted in only 9,833,500 treasury shares remaining as at 31 December 2024 (please refer to Part A, Note 10 of this Quarterly Report for further details).

In addition, the Company declared a total of RM34.5 million dividend during the Current Period. This amount consisted of the fourth interim and final single-tier dividends in respect of the Preceding Year, which amounted to RM11.7 million and RM7.6 million respectively and first interim single-tier dividends declared in respect of the Current Year, amounted to RM15.2 million.

The decreases were partly offset by the net earnings generated by the producing oil and gas assets of the Group.

15 PERFORMANCE REVIEW (CONT'D)

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

(C) Statement of Cash Flows

(i) Cash flows generated from operating activities

The Group's net cash generated from operating activities amounted to RM1,215.4 million.

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

In addition, it also included a net draw down of a prepayment facility which amounted to RM313.5 million.

(ii) Cash flows used in investing activities

Net cash utilised by the Group for investing activities during the Current Period amounted to RM1,212.4 million.

The final purchase consideration (after taking into account various adjustments) to complete the acquisition of TotalEnergies EP Brunei amounted to USD173.7 million (equivalent to RM746.2 million). Please refer to Part A, Note 7 (iii) for further details.

Subsequent to the completion of the acquisition of TotalEnergies EP Brunei, CAPEX amounting to RM41.1 million was invested for the low pressure compressor project.

Amounts invested in various CAPEX programs mainly by North Sabah, Kinabalu, PM3 CAA and Anasuria Hibiscus UK amounted to RM160.9 million, RM96.3 million, RM58.4 million and RM58.1 million respectively.

In addition, RM51.7 million was incurred in connection with the farm-in of 30% participating interest into the PM327 PSC.

(iii) Cash flows used in financing activities

During the Current Period, cash flows used in the Group's financing activities amounted to RM130.0 million.

The Group drew down a revolving credit facility amounting to RM107.3 million to finance the Group's working capital requirements.

In addition, RM82.7 million was utilised to repurchase 40,014,900 of its issued ordinary shares and the Company paid RM27.7 million dividend during the Current Period (please refer to Part A, Note 9 of this Quarterly Report for further details).

During the Current Period, payments made in respect of the Group's lease liabilities and term loan (both principal and interest) amounted to RM67.7 million and RM59.2 million respectively.

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) Peninsular Malaysia

RM'000	PM3 CAA		PM305 and PM314		PKNB		PM327		Total	
	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
Revenue	306,580	210,857	-	-	-	-	-	-	306,580	210,857
- Crude Oil	194,912	115,362	-	-	-	-	-	-	194,912	115,362
- Gas	111,668	95,495	-	-	-	-	-	-	111,668	95,495
GP	162,866	108,134	13	1,416	-	-	-	-	162,879	109,550
GP margin (%)	*53.1%*	*51.3%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*53.1%*	*52.0%*
EBITDA/(LBITDA)	160,334	120,111	(2,203)	6,273	(4,596)	(805)	(17,790)	(400)	135,745	125,179
EBITDA/(LBITDA) margin (%)	*52.3%*	*57.0%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*44.3%*	*59.4%*
PBT/(LBT)	83,473	66,669	(2,155)	6,253	(4,618)	(809)	(17,790)	(400)	58,910	71,713
PBT/(LBT) margin (%)	*27.2%*	*31.6%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*19.2%*	*34.0%*

	PM3 CAA		PM305 and PM314*		PKNB**		PM327**	
	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	620,071	300,512	N/A	N/A	N/A	N/A	N/A	N/A
Average realised oil price (USD per bbl)	75.34	85.54	N/A	N/A	N/A	N/A	N/A	N/A
Gas sold (MMscf)	4,619	3,856	N/A	N/A	N/A	N/A	N/A	N/A
Average realised gas price (USD per thousand scf)	5.46	5.70	N/A	N/A	N/A	N/A	N/A	N/A
Average OPEX per boe (USD)	13.30	19.95	N/A	N/A	N/A	N/A	N/A	N/A
Average uptime	97%	86%	N/A	N/A	N/A	N/A	N/A	N/A
Average net oil equivalent production rate (boe per day)	11,881	10,372	N/A	N/A	N/A	N/A	N/A	N/A

* *No operational statistics are available for PM305 and PM314 as the Group has ceased its participating interests in both PSCs in prior periods.*

** *No operational statistics are available for PKNB and PM327 as the PSCs are in development phase and exploration phase respectively.*

PM3 CAA

In the Current Quarter, the PM3 CAA recorded higher revenue of RM306.6 million compared to the Preceding Quarter's revenue of RM210.9 million as a result of higher volume of crude oil and gas sold.

Operational performance improved in the Current Quarter. The average gross oil equivalent production rate recorded in the Current Quarter improved to 19,175 boe per day, from the 16,262 boe per day recorded in the Preceding Quarter. The better production level in the Current Quarter was mainly contributed by the positive impact from sustained oil production from the H4 reservoirs and higher platform uptime.

In addition, the PSC's operational performance in the Preceding Quarter was impacted by activities related to CY 2024's annual planned major maintenance campaign.

The total OPEX incurred in the Current Quarter was lower than the amount incurred in the Preceding Quarter. In the Preceding Quarter, there were much higher activity levels in the following areas of work:

- Annual planned major maintenance campaign;
- Preventive maintenance work; and
- An on-going asset life extension study being performed for the PM3 FSO (expected to be completed by end of CY 2025).

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

As a result, the OPEX per boe recorded for the Current Quarter of USD13.30 was lower compared to USD19.95 in the Preceding Quarter.

In the Current Quarter, the PSC reported unrealised foreign exchange gains of RM1.3 million compared to RM9.2 million in the Preceding Quarter. The quantums recorded in the respective quarters were caused by the fluctuation of the USD, being the PSC'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 RM23.9 million) due to higher gross production levels.

PM305 and PM314

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

PM305 and PM314 reported RM2.0 million in unrealised foreign exchange losses in the Current Quarter, while unrealised foreign exchange gains of RM4.9 million were recognised in the Preceding Quarter.

In addition, the PBT in Preceding Quarter was favourable impacted by the recognition of a RM1.4 million gain from the upward adjustment to the estimated settlement price applied on the underlift crude oil balance.

PKNB

The higher LBT in the Current Quarter was attributed to elevated payroll-related costs as a result of an increase in activities level in the Current Quarter.

It was partly offset by a RM0.7 million one-off fee paid to PETRONAS upon the award of the PKNB PSC in the Preceding Quarter, which did not recur in the Current Quarter.

PM327

The PSC's results before taxation in the Current Quarter were significantly impacted by the write off taken on the Group's share of the exploration costs incurred on the Rosebay-1 exploration well, which amounted to RM17.5 million.

Included on the PSC's PBT in the Preceding Quarter were costs incurred in relation to a bank guarantee issued for the value of minimum work commitment to be carried out, as per the requirement stated in the PM327 PSC.

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

(ii) Sabah Malaysia

	North Sabah		Kinabalu		Total	
RM'000	**Current Quarter**	**Preceding Quarter**	**Current Quarter**	**Preceding Quarter**	**Current Quarter**	**Preceding Quarter**
Revenue	102,327	225,814	110,405	-	212,732	225,814
GP/(GL)	58,155	135,096	70,626	(2,402)	128,781	132,694
GP/(GL) margin (%)	*56.8%*	*59.8%*	*64.0%*	*N/A*	*60.5%*	*58.8%*
EBITDA/(LBITDA)	54,467	91,049	56,259	(6,313)	110,726	84,736
EBITDA/(LBITDA) margin (%)	*53.2%*	*40.3%*	*51.0%*	*N/A*	*52.0%*	*37.5%*
PBT/(LBT)	36,190	75,056	39,719	(23,033)	75,909	52,023
PBT/(LBT) margin (%)	*35.4%*	*33.2%*	*36.0%*	*N/A*	*35.7%*	*23.0%*

	North Sabah		Kinabalu	
	Current Quarter	**Preceding Quarter**	**Current Quarter**	**Preceding Quarter**
Crude oil sold (bbls)	306,085	613,133	304,528	-
Average realised oil price (USD per bbl)	77.80	83.87	82.56	-
Average OPEX per bbl (USD)	20.90	27.35	27.26	19.70
Average uptime	92%	88%	85%	72%
Average net oil production rate (bbls per day)	4,882	4,341	2,443	2,371

<u>North Sabah</u>

North Sabah recorded a lower revenue of RM102.3 million in the Current Quarter compared to RM225.8 million revenue recorded in the Preceding Quarter. This was due to a decrease in the volume of crude oil sold by 307,048 bbls and a lower average realised oil price attained by USD6.07 per bbl in the Current Quarter.

However, from an operational perspective, the PSC performed more favourably in the Current Quarter as a result of improved performance from the St Joseph field and incremental production from South Furious 30 new infill wells, where first oil was achieved on 31 October 2024. The PSC's average uptime improved from 88% in the Preceding Quarter to 92% in the Current Quarter while the average net oil production rate in the Current Quarter of 4,882 bbls per day was higher than the Preceding Quarter's 4,441 bbls per day.

In comparison, the operational performance in the Preceding Quarter was impacted by the unavailability of a compressor at the St Joseph field (from June 2024 to October 2024) and an eight day shutdown at the South Furious field in September 2024 resulting from a delay of a drilling rig entry into the South Furious 30 field due to unfavourable weather conditions.

The profit before taxation in both quarters were impacted by the quantum of foreign exchange differences (both realised and unrealised). In the Current Quarter, the PSC recorded net foreign exchange gains of RM5.5 million compared to net foreign exchange losses of RM15.8 million in the Preceding Quarter. The foreign exchange differences were mainly caused by the fluctuation of the USD, being the PSC's functional currency, against the RM.

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

Kinabalu

304,528 bbls of crude oil were sold in the Current Quarter. There was no crude oil offtake in the Preceding Quarter.

The PSC performed less favourably from an operational performance perspective in the Current Quarter when compared to the Preceding Quarter. It was mainly due to the shut-in of the KN-116 and KN-114 wells to facilitate the installation of the ESPs. The production in the Preceding Quarter was impacted by the delay in production start-up for twelve days, caused by an outage experienced at a high pressure compressor post the annual planned major maintenance campaign for CY 2024. This issue was duly rectified in July 2024.

The average gross oil production recorded for the Current Quarter was 6,003 bbls per day, which was lower compared to 6,202 bbls per day recorded in the Preceding Quarter.

The average OPEX per bbl of USD27.26 was higher compared to the Preceding Quarter's USD19.70 due to lower gross oil production and higher OPEX incurred as a result of higher tariff, higher slickline activities and higher costs incurred for maintenance works for machineries and routine troubleshooting.

In the Current Quarter, the PSC reported net foreign exchange losses (both realised and unrealised) of RM8.0 million as compared to net foreign exchange gains of RM14.6 million in the Preceding Quarter. The quantums recorded in the respective quarters were mainly caused by the fluctuation of the USD, being the PSC's functional currency, against the RM.

In addition, supplemental payments recorded in the Current Quarter of RM0.7 million were low due to adjustment of an over provision made in prior periods of RM4.2 million. No SbST was incurred in the Preceding Quarter as there was no crude oil sold compared to RM5.5 million SbST recorded in the Current Quarter.

(iii) United Kingdom

RM'000	Current Quarter	Preceding Quarter
Revenue	49,303	37,327
- Crude Oil	45,538	34,970
- Gas	3,765	2,357
GP	30,281	1,663
GP margin (%)	*61.4%*	*4.5%*
EBITDA/(LBITDA)	33,763	(14,284)
EBITDA/(LBITDA) margin (%)	*68.5%*	(38.3%)
PBT/(LBT)	8,825	(31,926)
PBT/(LBT) margin (%)	*17.9%*	(85.5%)

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	133,893	102,987
Average realised oil price (USD per bbl)	74.50	75.85
Gas sold (MMscf)	73	53
Average realised gas price (USD per thousand scf)	12.38∞ / 19.98#	9.78∞ / 10.21#
Average OPEX per boe (USD)	30.84	85.07
Average uptime	78%	46%
Average daily oil equivalent production rate (boe per day)	1,819	1,048

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

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

The UK segment's operational performance in the Current Quarter had improved significantly when compared to the Preceding Quarter's performance. The Current Quarter's average uptime and average daily oil equivalent production rate of 78% and 1,819 boe per day respectively, were significantly better than the Preceding Quarter's 46% and 1,048 boe per day respectively.

The average OPEX per boe decreased significantly from USD85.07 in the Preceding Quarter to USD30.84 in the Current Quarter.

In the Preceding Quarter, the Anasuria Cluster's operational performance was significantly impacted by the following:

- Planned 2024 Offshore Turnaround for 38 days;
- A leaking gasket on a gas scrubber in the gas compression system upon bringing the gas lifted wells online from the 2024 Offshore Turnaround, which was resolved in late September 2024; and
- An oil contamination event upon bringing the gas compression system back online. This technical issue was resolved by late October 2024 and full production resumed in the Current Quarter.

There were higher volumes of crude oil and gas sold while lower OPEX was incurred as compared to the Preceding Quarter. Due to this, the UK segment reported an EBITDA of RM33.8 million in the Current Quarter as opposed to a LBITDA of RM14.3 million in the Preceding Quarter.

The segment's PBT in the Current Quarter were further backed by the net foreign exchange gains (both realised and unrealised) of RM8.7 million, as opposed to net foreign exchange losses of RM12.8 million recorded 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 GBP denominated payables owed to the Group's inter-companies.

(iv) Brunei

The Brunei segment is included as a reportable operating segment in the Current Quarter as the completion of the acquisition of TotalEnergies EP Brunei occurred on 14 October 2024. As a result, there are no comparatives available.

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

(v) Vietnam

RM'000	Current Quarter	Preceding Quarter
Revenue	-	-
LBITDA	(397)	(283)
LBITDA margin (%)	N/A	N/A
LBT	(1,065)	(795)
LBT margin (%)	N/A	N/A

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	-	-
Average realised oil price (USD per bbl)	-	-
Average OPEX per bbl (USD)	25.77	62.28
Average uptime	97%	86%
Average net oil production rate (bbls per day)	120	102

There was no sale of crude oil in both the Current Quarter and the 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 net oil production rate.

(vi) Others

	Total	
RM'000	Current Quarter	Preceding Quarter
Revenue	3,356	3,397
EBITDA/(LBITDA)	2,831	(45,577)
EBITDA/ (LBITDA) margin (%)	*84.4%*	*(1341.7%)*
LBT	(13,749)	(54,023)
LBT margin (%)	*(409.7%)*	*(1590.3%)*

The segment recorded a lower LBT of RM13.7 million as compared to a LBT of RM54.0 million in the Preceding Quarter. The difference in LBT reported was mainly caused by the quantum of unrealised foreign exchange differences recorded in the respective quarters.

In the Current Quarter, net unrealised foreign exchange gains of RM14.3 million were recognised while in the Preceding Quarter, net unrealised foreign exchange losses of RM28.4 million were recognised instead. Such unusually high foreign exchange differences arose mainly from significant fluctuation of the USD against the RM, which impacted the quarter-end retranslation of intercompany balances. For information, the closing exchange rate between the USD and the RM as at 31 December 2024, 30 September 2024 and 30 June 2024 were 4.4719, 4.1209 and 4.7200 respectively.

Interest expense incurred during the Current Quarter was higher than the Preceding Quarter by RM8.1 million mainly due to additional interest expense incurred of RM8.4 million on a prepayment facility that was drawn down during the Current Quarter to part finance the purchase consideration for the acquisition of TotalEnergies EP Brunei.

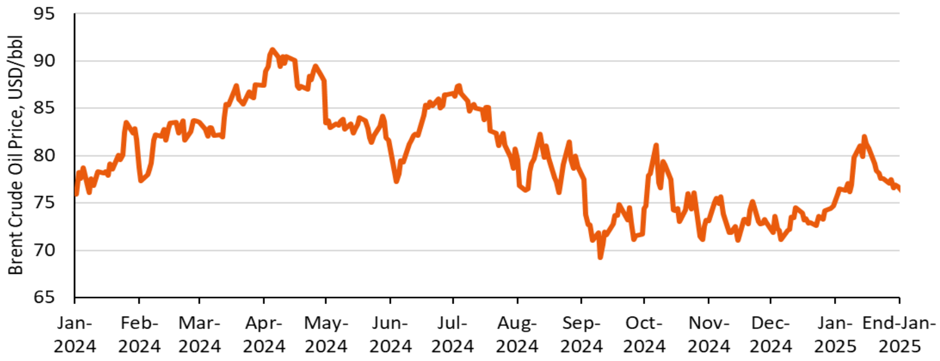
17 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

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, Seria Crude Oil Terminal and LCOT. The graph below illustrates the oil price trends for the Brent crude oil benchmark for the period from January 2024 to end-January 2025:



As shown above, Brent oil prices have steadied to levels around USD75.00 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, Block B Maharajalela Jamalulalam field 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.

e. Gas price for the Block B Maharajalela Jamalulalam field based on the relevant Gas Sales Agreement which is linked to the Liquified Natural Gas price (linked to Japan Crude Cocktail price).

18 PROSPECTS OF THE GROUP (CONT'D)

f. Movement of foreign exchange rates, mainly:

- USD vs RM:
  - As our revenues from our producing assets are secured in USD;
  - As the base currency used for our producing assets valuations is in USD; and
  - As the majority of our OPEX in North Sabah, PM3 CAA and Kinabalu are incurred in RM.
- GBP vs USD:
  - As the majority of our OPEX for the Anasuria Cluster are incurred in GBP.
- BND vs USD:
  - As the majority of our OPEX for the Block B Maharajalela Jamalulalam field are incurred in BND.

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

- Production performance of the wells; and
- Facilities availability.

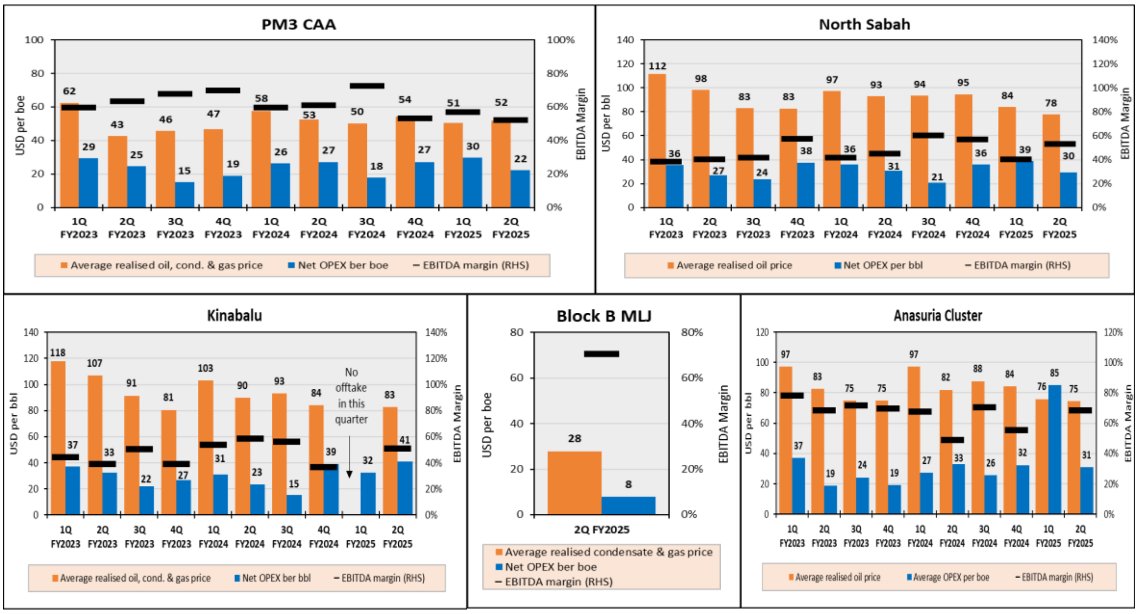
h. Taxation levels imposed in the various jurisdictions.

i. 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 and Block 46 PSCs, as well as the Block B Maharajalela Jamalulalam field, 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.

18 PROSPECTS OF THE GROUP (CONT'D)



Note 1: Kinabalu's EBITDA margin in the fourth financial quarter of the Preceding Year excluded impairment of equipment of RM61.0 million.

Note 2: North Sabah's EBITDA margin in the third and fourth financial quarters of the Preceding Year excluded the write-off of exploration drilling costs amounting to RM78.9 million and RM3.7 million respectively.

Note 3: The Anasuria Cluster incurred an LBITDA in the Preceding Quarter.

Note 4: Average OPEX per boe is computed based on gross production OPEX divided by gross oil, condensate and gas production.

Note 5: Net OPEX per boe is computed as follows:

$$\frac{\text{Net production + net development OPEX (based on working interest)}}{\text{Net oil, condensate and gas production (based on net entitlement)}}$$

Note 6: PM3 CAA's 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. The Anasuria Cluster's average realised oil price does not include gas prices as gas production in the Anasuria Cluster is not material.

A total of 2,608,956 boe was sold in the Current Quarter comprising 1,364,577 bbls of crude oil and condensate and 7,466 MMscf of gas.

On 14 October 2024, the Group completed the acquisition of TotalEnergies EP Brunei, which through its Brunei branch, hold interest and operatorship in the Block B Maharajalela Jamalulalam field located in Brunei.

Projects that are currently being implemented (South Furious 30 Waterflood and Teal West) remain on track to impact production volumes by end of CY 2025.

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 reasonably 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.

<u>Notice to Arbitrate received by Hibiscus Oil & Gas</u>

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 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 declared a second interim single-tier dividend of 3.00 sen per ordinary share in the Current Quarter.

The total dividends declared in the Current Period is 5.00 sen per ordinary share (Preceding Year's corresponding period ended 31 December 2023: 4.00 sen per ordinary share).

In respect of the Preceding Year

At the Company's 14th Annual General Meeting held on 27 November 2024, a final single-tier dividend of 1.00 sen per ordinary share in respect of the Preceding Year, was approved by the shareholders. The dividend was paid on 22 January 2025 to shareholders whose names appeared in the Record of Depositors on 27 December 2024.

25 EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's PAT 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 PAT 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 31.12.2024	QUARTER ENDED 31.12.2023	PERIOD ENDED 31.12.2024	PERIOD ENDED 31.12.2023
PAT attributable to owners of the Company (RM'000)	(A)	83,260	102,335	158,863	256,633
Weighted average number of shares for basic earnings per share computation ('000)	(B)	770,965	804,579	781,825	804,773
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	770,965	804,579	781,825	804,773
Basic earnings per share (sen)	(A/B)	10.80	12.72	20.32	31.89
Diluted earnings per share (sen)	(A/C)	10.80	12.72	20.32	31.89

26 OTHER INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2024 RM'000	QUARTER ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2024 RM'000	PERIOD ENDED 31.12.2023 RM'000
Sundry income	281	736	1,026	1,183
Interest income	5,589	12,217	15,005	23,045
Realised gain on foreign exchange#	4,999	2,769	-	734
Unrealised gain on foreign exchange#	15,942	-	-	-
	26,811	15,722	16,031	24,962

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

27 PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.12.2024 RM'000	QUARTER ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2024 RM'000	PERIOD ENDED 31.12.2023 RM'000
PBT is arrived at after charging/(crediting):				
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	141,040	124,039	229,572	231,208
Finance costs	35,892	27,579	60,139	54,211
Write-off of well exploration costs	17,479	-	17,497	-
SbST##	10,636	15,066	21,927	34,195
Supplemental payments###	7,598	29,500	33,673	55,354
Write-off of equipment	459	-	459	-
Share of results of an associate	68	157	367	288
Write-back of amount owing to a joint venture	-	(45)	-	(45)
Realised (gain)/loss on foreign exchange####	(4,999)	(2,769)	9,022	(734)
Interest income	(6,878)	(15,409)	(17,912)	(29,803)
Unrealised (gain)/loss on foreign exchange####	(15,942)	11,025	3,793	13,305

\## *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.*

\### *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 RM16.3 million (Preceding Year's corresponding period: RM38.5 million), RM17.4 million (Preceding Year's corresponding period: RM16.2 million) and RM Nil (Preceding Year's corresponding period: RM0.7 million) respectively. The supplemental payments are included in administrative expenses in profit or loss.*

\#### *The realised and unrealised (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 31.12.2024 RM'000	QUARTER ENDED 31.12.2023 RM'000	PERIOD ENDED 31.12.2024 RM'000	PERIOD ENDED 31.12.2023 RM'000
Income taxation	(42,841)	(31,169)	(75,026)	(120,800)
Deferred taxation	(36,857)	(40,172)	33,939	(55,413)
	(79,698)	(71,341)	(41,087)	(176,213)

<u>Breakdown by operating segments:</u>

OPERATING SEGMENTS	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.12.2024 RM'000	Quarter Ended 31.12.2023 RM'000	Period Ended 31.12.2024 RM'000	Period Ended 31.12.2023 RM'000
Peninsular Malaysia				
Income taxation	(44,421)	(32,257)	(48,928)	(78,544)
Deferred taxation	22,430	9,668	13,411	19,177
Total	**(21,991)**	**(22,589)**	**(35,517)**	**(59,367)**
Sabah Malaysia				
Income taxation	26,067	12,242	(1,976)	(28,225)
Deferred taxation	(58,197)	(55,326)	(43,820)	(70,981)
Total	**(32,130)**	**(43,084)**	**(45,796)**	**(99,206)**
United Kingdom				
Income taxation	(1,553)	(10,156)	(949)	(11,613)
Deferred taxation	(4,512)	5,165	60,854	(3,993)
Total	**(6,065)**	**(4,991)**	**59,905**	**(15,606)**
Brunei				
Income taxation	(22,611)	N/A	(22,611)	N/A
Deferred taxation	3,605	N/A	3,605	N/A
Total	**(19,006)**	**N/A**	**(19,006)**	**N/A**
Vietnam				
Income taxation	-	-	-	-
Deferred taxation	-	445	253	632
Total	**-**	**445**	**253**	**632**
Others				
Income taxation	(323)	(998)	(562)	(2,418)
Deferred taxation	(183)	(124)	(364)	(248)
Total	**(506)**	**(1,122)**	**(926)**	**(2,666)**
Group				
Income taxation	(42,841)	(31,169)	(75,026)	(120,800)
Deferred taxation	(36,857)	(40,172)	33,939	(55,413)
Total	**(79,698)**	**(71,341)**	**(41,087)**	**(176,213)**

N/A - Not applicable, as the acquisition of TotalEnergies EP Brunei was completed on 14 October 2024.

28 TAXATION (CONT'D)

Income Taxation

- Malaysia

  The tax regime under which Malaysian oil and gas activities are governed is the Petroleum (Income Tax) Act 1967. The provisions of the Petroleum (Income Tax) Act 1967 are applied to net taxable petroleum income at the rate of 38.0%.

- PM3 CAA

  The tax regime for PM3 CAA is the tax regime applicable to Malaysian oil and gas activities, which are governed under the Petroleum (Income Tax) Act 1967 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 38.0% respectively.

- Brunei

  The tax regime which governs petroleum operations of oil and gas companies in Brunei is the Income Tax (Petroleum) Act 1963 which applies a tax rate of 55.0% on taxable income.

- 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 2024 were as follows:

	As at 31.12.2024 RM'000	As at 30.06.2024 RM'000
Non-current		
Secured		
Lease liabilities	242,158	256,648
Term loan	220,457	278,299
	462,615	534,947
Current		
Secured		
Lease liabilities	117,444	120,879
Term loan	88,617	93,234
	206,061	214,113
Unsecured		
Revolving credit	108,105	-
	314,166	214,113

By Order of the Board of Directors
Hibiscus Petroleum Berhad
25 February 2025