

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 30-Sept-13 RM'000	Corresponding Quarter Ended 30-Sept-12 RM'000	Current Year-to-date Ended 30-Sept-13 RM'000	Corresponding Year-to-date Ended 30-Sept-12 RM'000
Revenue	68,174	74,625	196,609	195,345
Cost of Sales	(45,872)	(47,661)	(134,890)	(155,164)
Gross Profit	22,302	26,964	61,719	40,181
Other income	6,458	5,333	16,655	10,282
Operating expenses	(8,738)	(10,673)	(23,510)	(26,746)
Finance costs	(4,236)	(5,490)	(10,602)	(14,651)
Share of results in an associate	-	-	-	4,373
Profit before taxation	15,786	16,134	44,262	13,439
Income tax expense	86	(811)	(3,576)	(1,150)
<b>Profit for the period</b>	<b>15,872</b>	<b>15,323</b>	<b>40,686</b>	<b>12,289</b>
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	<i>1,500</i>	<i>(11,836)</i>	<i>16,533</i>	<i>(9,163)</i>
<i>Cash Flow Hedge</i>	<i>145</i>	<i>452</i>	<i>274</i>	<i>929</i>
<b>Total Comprehensive Income for the period</b>	<b>17,517</b>	<b>3,939</b>	<b>57,493</b>	<b>4,055</b>
<b>Profit for the period</b>				
Attributable to:				
Equity holders of the Company	15,514	15,225	39,774	12,147
Non-controlling interest	358	98	912	142
	15,872	15,323	40,686	12,289
<b>Total Comprehensive Income for the period</b>				
Attributable to:				
Equity holders of the Company	17,164	3,827	56,423	3,900
Non-controlling interest	353	112	1,070	155
	17,517	3,939	57,493	4,055
<b>Earnings per share of RM0.50 each (Sen)</b>				
a) Basic (based on weighted average)	3.03	3.07	7.94	2.45
b) Fully diluted	2.91	2.74	7.62	2.18

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012)

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) 30-Sept-13 RM'000	(Audited) 31-Dec-12 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	706,369	474,305
Intangible assets	27,507	27,507
Refundable deposits	75,181	108,194
Deferred tax assets	46	46
Other investment	150	250
	<u>809,253</u>	<u>610,302</u>
<b>CURRENT ASSETS</b>		
Inventories	2,938	3,825
Trade receivables	46,734	63,510
Other receivables, deposits and prepayments	46,894	25,750
Tax recoverable	3,109	3,110
Fixed deposits with licensed banks	44,262	21,631
Cash and bank balances	17,495	19,187
	<u>161,432</u>	<u>137,013</u>
Non-current asset classified as held for sale	4,535	10,566
	<u>165,967</u>	<u>147,579</u>
<b>TOTAL ASSETS</b>	<u>975,220</u>	<u>757,881</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	258,294	247,566
Reserves	279,607	211,646
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>537,901</u>	<u>459,212</u>
<b>NON-CONTROLLING INTEREST</b>	<u>833</u>	<u>(237)</u>
<b>TOTAL EQUITY</b>	<u>538,734</u>	<u>458,975</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred taxation	4,616	2,508
Long-term borrowings	265,548	165,943
Derivative liability	(53)	2,508
Other payables	260	260
	<u>270,371</u>	<u>171,219</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	22,926	23,261
Other payables	43,510	19,177
Short-term borrowings	99,131	84,750
Provision for taxation	548	499
	<u>166,115</u>	<u>127,687</u>
<b>TOTAL LIABILITIES</b>	<u>436,486</u>	<u>298,906</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>975,220</u>	<u>757,881</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	1.04	0.93

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012)

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30-Sept-13 RM'000</b>	<b>30-Sept-12 RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	44,262	13,439
<b>Adjustments for:</b>		
Accretion of refundable deposits	(5,853)	(3,709)
Depreciation of property, plant and equipment	19,936	18,961
(Gain)/Loss on disposal of property, plant and equipment	(47)	2,246
Gain on disposal of non-current asset classified as held for sale	-	(200)
Gain on disposal of an associate	-	(379)
Impairment loss on refundable deposits	-	981
Interest expense	10,111	13,801
Interest income	(820)	(605)
Loss on disposal of other investment	100	-
Property, plant and equipment written off	1	-
Share of results in an associate	-	(4,373)
Unrealised (gain)/loss on foreign exchange	(2,296)	1,216
Operating profit before working capital changes	<u>65,394</u>	<u>41,378</u>
Decrease in inventories	893	595
Increase in trade and other receivables	(2,286)	(22,836)
Increase/(Decrease) in trade and other payables	18,507	(7,370)
Net cash from operations	<u>82,508</u>	<u>11,767</u>
Tax paid	(1,437)	(1,503)
Net cash from operating activities	<u>81,071</u>	<u>10,264</u>
<b>Cash flow (for)/from investing activities</b>		
Charterer deposits refunded	43,170	-
Interest received	820	605
Proceeds from disposal of an associate	-	94,558
Proceeds from disposal of property, plant and equipment	7,165	621
Proceeds from disposal of non-current asset classified as held for sale	6,707	5,314
Purchase of property, plant and equipment	(232,202)	(77,584)
(Placement)/Withdrawal of fixed deposits	(172)	24,177
Net cash (for)/from investing activities	<u>(174,512)</u>	<u>47,691</u>

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2013****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30-Sept-13</b>	<b>30-Sept-12</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from/(for) financing activities</b>		
Drawdown of bank borrowings	133,461	76,430
Interest paid	(10,111)	(13,801)
Proceeds from issuance of share by a subsidiary to minority shareholders	180	-
Proceeds from conversion of warrants to share capital	21,445	-
Proceeds from share application monies	821	-
Repayment of bank borrowings	(31,875)	(121,898)
Repayment of hire purchase obligations	(70)	(60)
Security deposits paid	-	(11,856)
Net cash from/(for) financing activities	<u>113,851</u>	<u>(71,185)</u>
Net change in cash and cash equivalents	20,410	(13,230)
Effect of foreign exchange translation	357	(108)
Cash and cash equivalents at beginning of the financial period	<u>37,254</u>	<u>40,271</u>
Cash and cash equivalents at end of the financial period	<u>58,021</u>	<u>26,933</u>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed banks	44,262	16,872
Cash and bank balances	<u>17,495</u>	<u>12,625</u>
	61,757	29,497
Less: Fixed deposits pledged as security	<u>(3,736)</u>	<u>(2,564)</u>
	<u>58,021</u>	<u>26,933</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction  
with the Annual Financial Report for the financial year ended 31 December 2012)**

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Warrant Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Capital Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>Financial period ended 31 December 2013</b>											
As at 1 January 2013	247,566	-	92,130	11,048	(802)	2,127	(65,079)	172,222	459,212	(237)	458,975
Issuance of shares - Exercise of Warrants 2010/2015	10,728	821	14,579	(3,862)	-	-	-	-	22,266	-	22,266
Total comprehensive income for the period	-	-	-	-	274	-	16,375	39,774	56,423	1,070	57,493
<b>Balance as at 30 September 2013</b>	<b>258,294</b>	<b>821</b>	<b>106,709</b>	<b>7,186</b>	<b>(528)</b>	<b>2,127</b>	<b>(48,704)</b>	<b>211,996</b>	<b>537,901</b>	<b>833</b>	<b>538,734</b>
<b>Financial year ended 31 December 2012</b>											
As at 1 January 2012	247,566	-	92,130	11,048	(1,913)	2,127	(56,438)	175,891	470,411	(218)	470,193
Total comprehensive expenses for the year	-	-	-	-	1,111	-	(8,641)	(3,669)	(11,199)	(19)	(11,218)
<b>Balance as at 31 December 2012</b>	<b>247,566</b>	<b>-</b>	<b>92,130</b>	<b>11,048</b>	<b>(802)</b>	<b>2,127</b>	<b>(65,079)</b>	<b>172,222</b>	<b>459,212</b>	<b>(237)</b>	<b>458,975</b>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

**2. Changes in Accounting Policies**

At the date of authorisation of the interim financial statements, the following MFRSs, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group.

**MFRSs, Amendments to MFRS and IC Interpretation issued but not yet effective**

MFRS 9 Financial Instruments

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 Employee Benefits

MFRS 127 Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

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**3. Qualification of Financial Statements**

The preceding annual financial statements of the Group were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

Seasonal and cyclical factors do not have any material impact on the Group's business operations.

**5. Unusual Items**

There are no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial period to-date.

**6. Material Changes in Estimates**

There are no material changes in the estimates of amounts reported in the current quarter and financial period to-date.

**7. Issuance and Repayment of Debts and Equity Securities**

During the current quarter and financial period to-date, 17,825,652 and 21,456,552 ordinary shares of RM0.50 each, respectively were issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM1.00 per share. As at 30 September 2013, 39,923,233 Warrants 2010/2015 remained unexercised.

There have no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial period to-date save for the above.

**8. Dividends Paid**

No dividend was paid during the current quarter and financial period to-date.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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9. Segmental Information

Business Segment - Quarter

<i>Current Quarter Ended 30 September 2013</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	68,174	-	-	68,174
Inter-segment revenue	-	89	(89)	-
	<u>68,174</u>	<u>89</u>	<u>(89)</u>	<u>68,174</u>
<b>Results</b>				
Segment results	23,844	(2,845)	(977)	20,022
Finance costs	(3,517)	(719)	-	(4,236)
<b>Profit before taxation</b>	<u>20,327</u>	<u>(3,564)</u>	<u>(977)</u>	<u>15,786</u>
<i>Corresponding Quarter Ended 30 September 2012</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	74,625	-	-	74,625
Inter-segment revenue	-	382	(382)	-
	<u>74,625</u>	<u>382</u>	<u>(382)</u>	<u>74,625</u>
<b>Results</b>				
Segment results	23,270	74,683	(76,329)	21,624
Finance costs	(2,442)	(3,048)	-	(5,490)
<b>Profit before taxation</b>	<u>20,828</u>	<u>71,635</u>	<u>(76,329)</u>	<u>16,134</u>



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9. Segmental Information (Cont'd)

Business Segment – Year-to-date

<i>Current Year-to-date Ended 30 September 2013</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	196,609	-	-	196,609
Inter-segment revenue	-	267	(267)	-
	<u>196,609</u>	<u>267</u>	<u>(267)</u>	<u>196,609</u>
<b>Results</b>				
Segment results	68,424	(10,182)	(3,378)	54,864
Finance costs	(8,287)	(2,315)	-	(10,602)
	<u>60,137</u>	<u>(12,497)</u>	<u>(3,378)</u>	<u>44,262</u>
Share of results in an associate				-
<b>Profit before taxation</b>				<u>44,262</u>

<i>Corresponding Year-to-date Ended 30 September 2012</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	195,345	-	-	195,345
Inter-segment revenue	-	586	(586)	-
	<u>195,345</u>	<u>586</u>	<u>(586)</u>	<u>195,345</u>
<b>Results</b>				
Segment results	30,600	69,573	(76,456)	23,717
Finance costs	(7,785)	(6,866)	-	(14,651)
	<u>22,815</u>	<u>62,707</u>	<u>(76,456)</u>	<u>9,066</u>
Share of results in an associate				4,373
<b>Profit before taxation</b>				<u>13,439</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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**10. Material Events Subsequent to the reporting period**

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements.

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current quarter ended 30 September 2013 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation except that on 19 September 2013, the Company announced that it has incorporated a new wholly-owned subsidiary, Perdana Earth Ltd under the Labuan Companies Act 1990 on 18 September 2013.

**12. Changes in Contingent Liabilities**

	<b>Group RM'000</b>	<b>Company RM'000</b>
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	<u>6,000</u>	<u>6,000</u>

**13. Capital Commitment**

As at 30 September 2013, the Group had the following capital commitments:

	<b>RM'000</b>
Approved and not contracted for	<u>-</u>
Approved and contracted for	<u>230,702</u>

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**14. Operating Lease Arrangements**

As at 30 September 2013, the Group has entered into operating lease agreements for the use of certain vessels, office and warehouse. The future aggregate minimum lease payments are as follows:

	<b>RM'000</b>
Not later than 1 year	65,588
Later than 1 year and not later than 5 years	213,192
Later than 5 years	17,188
	<u>295,968</u>

**15. Significant Related Party Transactions**

a. The Group/Company had the following transactions with related parties during the financial quarter:

	<b>Quarter ended 30-Sept-13 RM'000</b>	<b>Quarter ended 30-Sept-12 RM'000</b>
i. Subsidiaries:		
- rental income	89	93
ii. Related party:		
- charter income	<u>16,321</u>	-

In the opinion of the Directors, the above transactions have been entered into in the ordinary course of business and have been established on terms that are not more favourable to the related parties than those generally available to the public.

b. Compensation of key management personnel

The remuneration of Directors and other members of key management are as follows:

	<b>Quarter ended 30-Sept-13 RM'000</b>	<b>Quarter ended 30-Sept-12 RM'000</b>
Short-term employee benefits	<u>2,576</u>	<u>1,468</u>

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**16. Review of Performance**

For the current quarter ended 30 September 2013, the Group recorded a turnover of RM68.2 million, a decrease of 9% from RM74.6 million in the third quarter of year 2012. The decrease is mainly due to lower utilization resulted from the mobilisation of new deliveries, upgrading of vessels to meet the requirement of a long term contract and the scheduled drydocking for a vessel in the current quarter.

The Group registered a profit before taxation of RM15.8 million in the current quarter, as compared to a profit before taxation of RM16.1 million recorded in the third quarter of year 2012. The slight decrease in profit before taxation in the current quarter is in tandem with the lower vessel utilization as stated above.

**17. Comparison with Immediate Preceding Quarter**

The Group recorded a turnover of RM68.2 million in the current quarter, a decrease of 5% as compared to the previous quarter of RM71.6 million. The decrease in turnover is mainly due to higher mobilisation income recognised in the previous quarter in relation to the commencement of a long term contract secured .

The Group reported a profit before taxation of RM15.8 million in the current quarter, as compared to a profit before taxation of RM15.3 million in the previous quarter. The improvement in profit before taxation is mainly due to higher vessels utilization, saving from the operating cost of the old vessels and also foreign exchange gain recognized, set off by the increase in the administrative expenses and finance cost in the current quarter.

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**18. Prospects**

The Board is optimistic on the prospect for oil and gas support services in the domestic and regional markets, on the back of the stable oil prices range from USD85 – USD95 per barrel, upsurge in offshore activities, ongoing tender and bidding exercises and various development programmes spearheaded by our national oil company, PETRONAS with the support of major oil companies.

With the improving marine charter outlook, our focus is to strive for longer-term charters for our new built assets. In the first quarter of the year, we have secured four AHTS vessels under long term contracts with 5+1 years charter period with Petronas Carigali Sdn Bhd. This has resulted in significant improvement in the utilisation rate for the mid-size AHTS. In line with our long term strategy to have a well-balanced fleet of AHTS and work barges/workboats, we have aggressively carried out an expansion programme on the latter. We managed to secure six work barges/workboats contracts with DESB (Dayang Enterprise Holdings Berhad) 5+1 years charter period in the second quarter of the year. Our collaboration with DESB, our new major shareholder who is an established service provider in the hook-up and commissioning and topside maintenance businesses, have put us in a strong position to further expand in the marine business. With the deployment of these new-built fleet in the market, we have firmly established within the region as major player. We will continue to leverage on our strong track record with major customers in the region.

Our fleet, with an average age of less than 4 years old, will continue to provide the longer-term charter opportunities and stability that we need. As at to date, the group has twelve vessels under long term contracts, which represents 80% of our Group fleet is under long term employment. Further, in line with the group fleet expansion plan and our strategic move to have a well-balanced fleet between the mid-size AHTS and work barges/workboats, we have entered into Memorandum of Agreements to purchase three new work barges which are expected to take deliveries by year 2014. Two out of the three new oncoming deliveries have secured the long term contracts with DESB as mentioned above. We believe these will provide a stability of future earnings, ability to leverage on lower operating costs and more efficient operating performance of the Group to meet the increase in demand with the upsurge in the OSV market.

The Board thus expects the Group's offshore marine business will be in a position to provide a better result in the coming years.

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19. Profit for the Quarter/Period

	Current Quarter Ended 30-Sept-13 RM'000	Corresponding Quarter Ended 30-Sept-12 RM'000	Current Year-to-date Ended 30-Sept-13 RM'000	Corresponding Year-to-date Ended 30-Sept-12 RM'000
<b>Profit for the quarter/period is arrived at after charging/(crediting):</b>				
Interest expense	4,213	5,450	10,111	13,801
Loss on disposal of other investment	100	-	100	-
Depreciation of property, plant and equipment	7,110	6,456	19,936	18,961
(Gain)/Loss on disposal of property, plant and equipment	(5)	2,134	(47)	2,246
(Gain)/Loss on foreign exchange:				
- realised	(4,129)	83	(5,172)	57
- unrealised	149	1,085	(2,296)	1,216
Impairment loss on refundable deposits	-	-	-	981
Property, plant and equipment written off	-	-	1	-
Accretion of refundable deposits	(898)	(1,279)	(5,853)	(3,709)
Interest income	(381)	(141)	(820)	(605)
Dividend income from an associate	-	-	-	(288)
Gain on disposal of an associate	-	(379)	-	(379)
Gain on disposal of non- current asset classified as held for sale	-	3	-	(200)
Waiver of placement fee	-	(2,796)	-	(2,796)

Other than the above, there were no allowances for impairment and write off of receivables, allowance for and write off of inventories, gain or loss on disposal of quoted investments or properties and exceptional items for the current quarter and financial period ended 30 September 2013.

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**20. Taxation**

The provision of taxation for the current quarter and financial period to-date under review are as follows:

	<b>Current Quarter Ended 30-Sept-13 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-12 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-13 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-12 RM'000</b>
Current tax:				
Malaysian income tax	(74)	197	553	227
Foreign tax	-	390	914	390
Withholding tax	-	224	3	533
	(74)	811	1,470	1,150
Deferred tax:				
Malaysian income tax	(12)	-	2,106	-
<b>Total</b>	<b>(86)</b>	<b>811</b>	<b>3,576</b>	<b>1,150</b>

The effective tax rate for current quarter and financial period to-date were lower than the statutory tax rate principally due to utilisation of unabsorbed capital allowances in subsidiary companies and lower tax rates for offshore subsidiary companies.

**21. Corporate Proposals**

On 27 August 2013, the Company announced that the Company proposed to undertake the Proposed Bonus Issue.

The Proposed Bonus Issue will entail the issuance of up to 222.6 million Bonus Shares to be credited fully paid up on basis of two Bonus Shares for every five existing Perdana Petroleum Berhad (“PPB”) shares.

The maximum number of 222.6 million Bonus Shares takes into account the following:-

- (i) issued and paid-up share capital of the Company of RM249.4 million comprising 498.8 million PPB Shares as at the unaudited consolidated financial results for the financial period ended (“FPE”) 30 June 2013; and
- (ii) approximately 57.7 million new PPB Shares which may arise pursuant to the full exercise of the outstanding warrants granted under the renounceable right issue of the Company on or prior to the Entitlement Date. Based on the unaudited consolidated financial results for the FPE 30 June 2013, the number of outstanding Warrants is approximately 57.7 million.

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**21. Corporate Proposals (Cont'd)**

The Proposed Bonus Issue is subject to the approvals from the following parties being obtained:

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities;
- (ii) the shareholders of PPB at an Extraordinary General meeting to be convened; and
- (iii) any other relevant authorities and/or parties, if required.

On 31 October 2013, the Company announced that Bursa Securities has vide its letter dated 31 October 2013, granted the approval for the listing of and quotation for the Bonus Shares, new Warrants arising from the adjustment to the number of outstanding Warrants pursuant to the Proposed Bonus Issue ("Adjustment Warrants") and new PPB Shares pursuant to the exercise of the Adjustment Warrants on the Main Market of Bursa Securities.

On 1 November 2013, the Company announced that the Extraordinary General Meeting for the Proposed Bonus Issue will be held on 19 November 2013.

There were no other corporate proposals announced but not completed as of 12 November 2013 save for the above.

**22. Borrowings**

Total Group's borrowings as at 30 September 2013 were as follows:

	<b>As at 30-Sept-13 RM'000</b>	<b>As at 31-Dec-12 RM'000</b>
<b>Short term borrowings</b>		
Secured	89,131	74,750
Unsecured	10,000	10,000
	<hr/> 99,131	<hr/> 84,750
<b>Long term borrowings</b>		
Secured	265,548	165,943
<b>Total borrowings</b>	<hr/> <b>364,679</b>	<hr/> <b>250,693</b>

The above includes borrowings in US Dollars equivalent to RM279.8 million.



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**23. Derivative Financial Instruments**

There are no outstanding derivative financial instruments as at 30 September 2013.

**24. Changes in Material Litigation**

The Group is not engaged in any material litigation as at 12 November 2013 except for the following:

On 22 June 2011, the Company filed a suit in the High Court against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Berhad ("TASB"), Yap Hock Heng and TA First Credit Sdn Bhd ("TAFC") to claim for losses and damages suffered by the Company in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Berhad ("PEB") by PPB to the Parties on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by PPB as conducted by the TA Securities Holdings Berhad and Yap Hock Heng on 11 December 2009.

This suit is mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and the Company is seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disgorgement and costs.

On 7 September 2012, the Company filed notices of discontinuance pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC, with no admission of liability and with no liberty to file afresh. In this connection, TASB had also agreed to discontinue their suit against the Company in relation to a claim of approximately RM2.796 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, the Company will reverse the provisions made earlier.

The trial at the High Court ended on 26 April 2013 and at case management on 16 August 2013, directions were given for filing of written submissions and to attend for oral submission on 21 November 2013.

**25. Dividends**

There was no dividend proposed in respect of the current quarter ended 30 September 2013.

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26. Earnings Per Share

a.) Basic

	Current Quarter Ended 30-Sept-13	Corresponding Quarter Ended 30-Sept-12	Current Year-to-date Ended 30-Sept-13	Corresponding Year-to-date Ended 30-Sept-12
Net profit attributable to shareholders (RM'000)	15,514	15,225	39,774	12,147
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	498,762,900	495,132,000	495,132,000	495,132,000
Effects of warrants exercised	12,433,414	-	5,626,535	-
Weighted average number of ordinary shares in issue	511,196,314	495,132,000	500,758,535	495,132,000
Basic earnings per ordinary share of RM0.50 each (Sen)	3.03	3.07	7.94	2.45

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**26. Earnings Per Share (Cont'd)**

**b.) Diluted**

	<b>Current Quarter Ended 30-Sept-13</b>	<b>Corresponding Quarter Ended 30-Sept-12</b>	<b>Current Year-to-date Ended 30-Sept-13</b>	<b>Corresponding Year-to-date Ended 30-Sept-12</b>
Net profit attributable to shareholders (RM'000)	15,514	15,225	39,774	12,147
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	498,762,900	495,132,000	495,132,000	495,132,000
Effects of warrants exercised	12,433,414	-	5,626,535	-
Effects of outstanding warrants	21,184,568	61,379,785	20,884,380	61,379,785
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	<u>532,380,882</u>	<u>556,511,785</u>	<u>521,642,915</u>	<u>556,511,785</u>
Diluted earnings per ordinary share of RM0.50 each (Sen)	<u>2.91</u>	<u>2.74</u>	<u>7.62</u>	<u>2.18</u>

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**27. Disclosure of Realised and Unrealised Profits**

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraph 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>As at 30 Sept 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
Total retained profits of the Group:		
- Realised	111,944	94,073
- Unrealised	14,273	(12,902)
	<u>126,217</u>	<u>81,171</u>
Add: Consolidation adjustments	85,779	91,051
Total retained profits as per statement of financial position	<u>211,996</u>	<u>172,222</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.