

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 31-Dec-14 RM'000	Corresponding Quarter Ended 31-Dec-13 RM'000	Current Year-to-date Ended 31-Dec-14 RM'000	Corresponding Year-to-date Ended 31-Dec-13 RM'000
Revenue	77,549	78,039	347,217	274,648
Cost of Sales	(46,707)	(47,626)	(188,510)	(182,516)
Gross Profit	30,842	30,413	158,707	92,132
Other income	32,084	16,057	36,933	32,712
Operating expenses	(38,828)	(17,325)	(74,135)	(40,835)
Finance costs	(8,807)	(8,018)	(31,990)	(18,620)
Profit before taxation	15,291	21,127	89,515	65,389
Income tax expense	(284)	165	(1,469)	(3,411)
Profit for the period/year	15,007	21,292	88,046	61,978
<i>Other comprehensive income</i>				
Foreign currency translation	14,495	(1,282)	12,087	15,251
Cash Flow Hedge	(411)	207	(141)	481
Total Comprehensive Income for the period/year	29,091	20,217	99,992	77,710
Profit for the period/year				
Attributable to:				
Equity holders of the Company	15,007	21,886	88,048	61,660
Non-controlling interest	-	(594)	(2)	318
	15,007	21,292	88,046	61,978
Total Comprehensive Income for the period/year				
Attributable to:				
Equity holders of the Company	29,120	21,298	100,021	77,721
Non-controlling interest	(29)	(1,081)	(29)	(11)
	29,091	20,217	99,992	77,710
Earnings per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	2.03	3.01	11.95	8.65
b) Fully diluted	1.98	2.89	11.56	8.24

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31-Dec-14 RM'000	(Audited) 31-Dec-13 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,122,643	961,556
Intangible assets	10,724	27,507
Refundable deposits	54,896	52,697
Deferred tax asset	46	46
Other investment	-	150
Derivative asset	-	421
	<u>1,188,309</u>	<u>1,042,377</u>
CURRENT ASSETS		
Inventories	1,788	1,310
Trade receivables	37,825	31,769
Other receivables, deposits and prepayments	22,166	18,055
Amount owing by a related party	31,994	19,953
Tax recoverable	3,151	3,231
Fixed deposits with licensed banks	48,773	26,098
Cash and bank balances	50,431	34,928
	<u>196,128</u>	<u>135,344</u>
Non-current asset classified as held for sale	-	4,576
	<u>196,128</u>	<u>139,920</u>
TOTAL ASSETS	<u>1,384,437</u>	<u>1,182,297</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	369,285	363,611
Reserves	285,066	198,569
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	654,351	562,180
NON-CONTROLLING INTEREST	(277)	(248)
TOTAL EQUITY	<u>654,074</u>	<u>561,932</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,578	4,559
Long-term borrowings	544,422	459,783
Derivative liability	462	-
Other payables	149	260
	<u>549,611</u>	<u>464,602</u>
CURRENT LIABILITIES		
Trade payables	13,035	14,088
Other payables	24,615	27,153
Short-term borrowings	142,953	114,140
Provision for taxation	149	382
	<u>180,752</u>	<u>155,763</u>
TOTAL LIABILITIES	<u>730,363</u>	<u>620,365</u>
TOTAL EQUITY AND LIABILITIES	<u>1,384,437</u>	<u>1,182,297</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.89	0.77

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31-Dec-14	31-Dec-13
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	89,515	65,389
Adjustments for:		
Accretion of refundable deposits	(2,786)	(10,059)
Allowance for impairment loss on goodwill	16,785	-
Allowance for impairment loss on receivables	-	104
Bad debts written off	102	-
Depreciation of property, plant and equipment	52,203	30,638
Interest expense	30,025	15,023
Interest income	(587)	(1,043)
Inventories written off	-	1
Gain on disposal of property, plant and equipment	(855)	(1)
Loss on disposal of non-current asset classified as held for sale	2,077	-
Other investment written off	150	100
Property, plant and equipment written off	1	102
Unrealised loss/(gain) on foreign exchange	5,288	(5,963)
Operating profit before working capital changes	<u>191,918</u>	<u>94,291</u>
(Increase)/Decrease in inventories	(472)	2,642
(Increase)/Decrease in trade and other receivables	(9,747)	48,716
Decrease in trade and other payables	(27,425)	(14,548)
Increase in amount owing by a related party	(12,041)	(19,953)
Net cash from operations	<u>142,233</u>	<u>111,148</u>
Tax paid	<u>(1,611)</u>	<u>(1,619)</u>
Net cash from operating activities	<u>140,622</u>	<u>109,529</u>
Cash flow for investing activities		
Refundable deposits refunded	3,854	70,153
Interest received	587	1,043
Net cash outflow for acquisition of a subsidiary	-	(975)
Proceeds from disposal of non-current asset classified as held for sale	4,570	6,707
Proceeds from disposal of property, plant and equipment	94,775	7,226
Purchase of property, plant and equipment	(243,216)	(487,864)
(Placement)/Withdrawal of fixed deposits	<u>(15,651)</u>	<u>2,983</u>
Net cash for investing activities	<u>(155,081)</u>	<u>(400,727)</u>

PERDANA PETROLEUM BERHAD

(Company No. 372113 - A)

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Dec-14	31-Dec-13
	RM'000	RM'000
Cash flow from financing activities		
Dividend paid	(14,771)	-
Drawdown of bank borrowings	219,761	389,578
Interest paid	(30,025)	(15,023)
Proceeds from share issuance to minority interest in a subsidiary	-	180
Proceeds from issuance of shares through warrant exercise	6,911	24,315
Proceeds from share application monies	10	1,146
Repayment of bank borrowings	(148,218)	(83,445)
Repayment of hire purchase obligations	(123)	(287)
Share issuance expenses	-	(214)
Net cash from financing activities	<u>33,545</u>	<u>316,250</u>
Net change in cash and cash equivalents	19,086	25,052
Effect of foreign exchange translation	3,441	(1,861)
Cash and cash equivalents at beginning of the financial year	<u>60,445</u>	<u>37,254</u>
Cash and cash equivalents at end of the financial year	<u>82,972</u>	<u>60,445</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	48,773	26,098
Cash and bank balances	<u>50,431</u>	<u>34,928</u>
	99,204	61,026
Less: Fixed deposits pledged as security	<u>(16,232)</u>	<u>(581)</u>
	<u>82,972</u>	<u>60,445</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 2013)**

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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
Financial year ended 31 December 2014											
As at 1 January 2014	363,611	1,146	4,562	6,672	(321)	1,635	(49,007)	233,882	562,180	(248)	561,932
Issuance of shares - Exercise of Warrants 2010/2015	5,674	(1,136)	3,842	(1,459)	-	-	-	-	6,921	-	6,921
Dividend	-	-	-	-	-	-	-	(14,771)	(14,771)	-	(14,771)
Total comprehensive income for the period	-	-	-	-	(141)	-	12,114	88,048	100,021	(29)	99,992
Balance as at 31 December 2014	369,285	10	8,404	5,213	(462)	1,635	(36,893)	307,159	654,351	(277)	654,074
Financial year ended 31 December 2013											
As at 1 January 2013	247,566	-	92,130	11,048	(802)	2,127	(65,079)	172,222	459,212	(237)	458,975
Bonus issue	103,888	-	(103,888)	-	-	-	-	-	-	-	-
Issuance of shares - Exercise of Warrants 2010/2015	12,157	1,146	16,320	(4,376)	-	-	-	-	25,247	-	25,247
Total comprehensive income for the year	-	-	-	-	481	(492)	16,072	61,660	77,721	(11)	77,710
Balance as at 31 December 2013	363,611	1,146	4,562	6,672	(321)	1,635	(49,007)	233,882	562,180	(248)	561,932

(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 2013)

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**INTERIM FINANCIAL REPORT FOR THE FOURTH 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 2013. 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 2013.

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 (2009) Financial Instruments

MFRS 9 (2010) Financial Instruments

MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)

Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

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

2. Changes in Accounting Policies (Cont'd)

MFRSs, Amendments to MFRS and IC Interpretation issued but not yet effective (Cont'd)

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

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 year to-date except for the impairment losses totalling RM16.8 million on the goodwill arising from the acquisition of the subsidiaries namely, Perdana Marine Offshore Pte Ltd and Ampangship Marine Sdn Bhd of RM6.7 million and RM10.1 million respectively. These impairment losses are due to the excess of the assets' carrying values over their recoverable amounts.

6. Material Changes in Estimates

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

7. Issuance and Repayment of Debts and Equity Securities

During the current quarter and financial year to-date, 140,800 and 11,347,160 ordinary shares of RM0.50 each respectively were issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM0.71 per share. As at 31 December 2014, 40,546,023 Warrants 2010/2015 remained unexercised.

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

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. Dividends Paid

An interim single tier dividend of 2.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2014 amounting to RM14,771,000 was paid on 22 December 2014.

9. Segmental Information

Business Segment

<i>Current Quarter Ended 31 December 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	77,549	-	-	77,549
Inter-segment revenue	-	4,704	(4,704)	-
	77,549	4,704	(4,704)	77,549
Results				
Segment results	30,776	(45,949)	39,271	24,098
Finance costs	(9,009)	(316)	518	(8,807)
Profit before taxation	21,767	(46,265)	39,789	15,291
<i>Corresponding Quarter Ended 31 December 2013</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	78,039	-	-	78,039
Inter-segment revenue	-	7,847	(7,847)	-
	78,039	7,847	(7,847)	78,039
Results				
Segment results	37,174	4,781	(12,810)	29,145
Finance costs	(7,574)	(656)	212	(8,018)
Profit before taxation	29,600	4,125	(12,598)	21,127

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Information (Cont'd)

Business Segment

<i>Current Year-to-date Ended 31 December 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	347,217	-	-	347,217
Inter-segment revenue	-	11,328	(11,328)	-
	347,217	11,328	(11,328)	347,217
Results				
Segment results	143,421	(51,205)	29,289	121,505
Finance costs	(32,875)	(1,270)	2,155	(31,990)
Profit before taxation	110,546	(52,475)	31,444	89,515
<i>Corresponding Year-to-date Ended 31 December 2013</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	274,648	-	-	274,648
Inter-segment revenue	-	8,114	(8,114)	-
	274,648	8,114	(8,114)	274,648
Results				
Segment results	105,598	(5,401)	(16,188)	84,009
Finance costs	(15,861)	(2,971)	212	(18,620)
Profit before taxation	89,737	(8,372)	(15,976)	65,389

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 31 December 2014.

12. Changes in Contingent Liabilities

	As at 31-Dec-14	
	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	12,559	12,559
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	667,014
	<u>12,559</u>	<u>679,573</u>

13. Capital Commitment

As at 31 December 2014, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	<u>-</u>
Approved and contracted for	<u>235,301</u>

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Operating Lease Arrangements

As at 31 December 2014, the Group has entered into operating lease agreements for the use of certain vessels, office, premise and office equipment. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	40,520
Later than 1 year and not later than 5 years	118,584
Later than 5 years	-
	159,104

15. Significant Related Party Transactions

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

	Quarter ended 31-Dec-14 RM'000	Quarter ended 31-Dec-13 RM'000
i. Subsidiaries:		
- rental income	89	89
- management income	4,615	7,758
ii. Related party:		
- charter income	30,692	25,777
	30,692	25,777

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:

	Quarter ended 31-Dec-14 RM'000	Quarter ended 31-Dec-13 RM'000
Short-term employee benefits	4,264	2,247
	4,264	2,247

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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 31 December 2014, the Group recorded a turnover of RM77.5 million and a profit before taxation of RM15.3 million, as compared to a turnover of RM78.0 million and profit before taxation of RM21.1 million in the fourth quarter of year 2013.

The lower profit before taxation in the current quarter is mainly due to the impairment losses on goodwill of RM16.8 million recognised in the current quarter as stated in Note 5 of the report.

Also, included in the other income are the following items:

- a) The recognition of foreign exchange gain of RM18.9 million in the current quarter as compared to RM4.5 million in the fourth quarter of year 2013.
- b) The accretion of refundable deposit of RM3.6 million resulted from the termination of vessels under sales and leaseback arrangement in the fourth quarter of year 2013.

Excluding the effect of the above one-off items, the effective profit before taxation in the current quarter is RM13.2 million which is comparable with RM13.0 million in the fourth quarter last year.

For the financial year ended 31 December 2014, the Group recorded a turnover of RM347.2 million and profit before taxation of RM89.5 million as compared to previous year ended 31 December 2013's turnover of RM274.6 million and profit before taxation of RM65.4 million.

The significant increase in turnover and profit before taxation is mainly due to higher vessel utilisation and increase in the number of vessels. The average vessel utilisation has improved from 80% in the previous year to 92% in the current year.

17. Comparison with Immediate Preceding Quarter

The Group recorded a turnover of RM77.5 million and a profit before taxation of RM15.3 million in the current quarter, as compared to the previous quarter's turnover of RM93.8 million and profit before taxation of RM27.7 million. The decrease is mainly due to lower vessel utilization resulted from the scheduled drydocking and interim maintenance for four vessels during the monsoon period and a new vessel delivery taken place in the current quarter.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

18. Prospects

The global economy and the prospects of Oil & Gas operators and service providers continue to face challenges as the fluctuation in the oil price environment remains uncertain. Any prolonged and continued decline in the oil price could result in oil companies cutting back on exploration budgets and moderating development capital expenditures. This could lead to a slow-down in new project awards.

However, the Group operates a young and versatile fleet of offshore support vessels with an average age of approximately 4.3 years old. Currently, more than 70% of our fleet are under long term contract with a strong order book of RM1.1 billion up to year 2019 and our tendering activities remain robust. We believe all these will continue to provide the longer-term charter opportunities and stability we required amidst the uncertainty.

Nevertheless, the Group will continue to focus on stronger operational excellence and financial discipline and the Board remains confident that the long-term fundamentals of the oil and gas industry remains encouraging and will drive continued development and spending in the segments that our business operate in.

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

19. Profit for the Quarter/Year

	Current Quarter Ended 31-Dec-14 RM'000	Corresponding Quarter Ended 31-Dec-13 RM'000	Current Year-to-date Ended 31-Dec-14 RM'000	Corresponding Year-to-date Ended 31-Dec-13 RM'000
Profit for the quarter is arrived at after charging/(crediting):				
Allowance for impairment loss on goodwill	16,785	-	16,785	-
Allowance for impairment loss on receivables	-	104	-	104
Bad debts written off	95	-	102	-
Depreciation of property, plant and equipment	13,804	10,702	52,203	30,638
Interest expense	7,707	4,912	30,025	15,023
Inventory written off	-	1	-	1
Loss on disposal of non-current asset classified as held for sale	2,077	-	2,077	-
Other investment written off	-	-	150	100
Property, plant and equipment written off	1	101	1	102
Accretion of refundable deposits	(593)	(4,206)	(2,786)	(10,059)
Interest income	(181)	(223)	(587)	(1,043)
(Gain)/Loss on disposal of property, plant and equipment	(1,016)	46	(855)	(1)
(Gain)/Loss on foreign exchange:				
- realised	(24,303)	(841)	(24,639)	(6,013)
- unrealised	5,385	(3,667)	5,288	(5,963)

Other than the above, there were no other income including investment income and exceptional items for the current quarter and financial year ended 31 December 2014.

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

20. Taxation

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

	Current Quarter Ended 31-Dec-14 RM'000	Corresponding Quarter Ended 31-Dec-13 RM'000	Current Year-to-date Ended 31-Dec-14 RM'000	Corresponding Year-to-date Ended 31-Dec-13 RM'000
Current tax:				
Malaysian income tax	238	72	1,196	625
Foreign tax	-	(180)	254	734
Withholding tax	-	-	1	3
	238	(108)	1,451	1,362
Deferred tax:				
Malaysian income tax	46	(57)	18	2,049
Total	284	(165)	1,469	3,411

The effective tax rate for current quarter and financial year 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

There were no other corporate proposals announced but not completed as of 16 February 2015.

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

22. Borrowings

Total Group's borrowings as at 31 December 2014 were as follows:

	As at 31-Dec-14 RM'000	As at 31-Dec-13 RM'000
Short term borrowings		
Secured	107,953	94,140
Unsecured	35,000	20,000
	142,953	114,140
Long term borrowings		
Secured	544,422	459,783
Total borrowings	687,375	573,923

The above includes borrowings in US Dollars equivalent to RM652 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 31 December 2014.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 16 February 2015 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.

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24. Changes in Material Litigation (Cont'd)

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 oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, the Company announced that the High Court gave its decision that the Company was unsuccessful in the suit. On 17 April 2014, the Company filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, the Company announced that the High Court has made a decision on costs and ordered PPB to pay the Defendant Parties, a total cost of RM841,731. The High Court has also ordered Tengku Dato' Ibrahim Petra bin Tengku Indra Petra to pay PPB the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of the Group for the quarter ending 31 December 2014 would be reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 24 September 2014, the Company announced that the Court of Appeal has fixed the hearing of the Appeal on 2 December 2014.

At the case management heard on 2 December 2014, the Court of Appeal has fixed the next hearing date on 11 March 2015.

25. Dividends

There was no dividend proposed in respect of the current quarter ended 31 December 2014.

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****26. Earnings Per Share****a.) Basic**

	Current Quarter Ended 31-Dec-14	Corresponding Quarter Ended 31-Dec-13	Current Year-to-date Ended 31-Dec-14	Corresponding Year-to-date Ended 31-Dec-13
Net profit attributable to shareholders (RM'000)	15,007	21,886	88,048	61,660
Number of ordinary shares of RM0.50 each at the beginning of the quarter/year	738,429,275	516,588,552	727,222,915	495,132,000
Effects of the issuance pursuant to Bonus issue	-	207,775,515	-	207,775,515
Effects of warrants exercised	52,304	2,393,029	9,567,456	10,219,741
Weighted average number of ordinary shares in issue	738,481,579	726,757,096	736,790,371	713,127,256
Basic earnings per ordinary share of RM0.50 each (Sen)	2.03	3.01	11.95	8.65

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26. Earnings Per Share (Cont'd)

b.) Diluted

	Current Quarter Ended 31-Dec-14	Corresponding Quarter Ended 31-Dec-13	Current Year-to-date Ended 31-Dec-14	Corresponding Year-to-date Ended 31-Dec-13
Net profit attributable to shareholders (RM'000)	15,007	21,886	88,048	61,660
Number of ordinary shares of RM0.50 each at the beginning of the quarter/year	738,429,275	516,588,552	727,222,915	495,132,000
Effects of the issuance pursuant to Bonus issue	-	207,775,515	-	207,775,515
Effects of warrants exercised	52,304	2,393,029	9,567,456	10,219,741
Effects of outstanding warrants	19,638,015	31,594,988	24,739,083	35,075,431
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	758,119,594	758,352,084	761,529,454	748,202,687
Diluted earnings per ordinary share of RM0.50 each (Sen)	1.98	2.89	11.56	8.24

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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:

	As at 31-Dec-2014 RM'000	As at 31-Dec-2013 RM'000
Total retained profits of the Group:		
- Realised	210,134	157,163
- Unrealised	(8,993)	1,961
	<u>201,141</u>	<u>159,124</u>
Add: Consolidation adjustments	106,018	74,758
Total retained profits as per statement of financial position	<u>307,159</u>	<u>233,882</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.