25 YEARS OF EXCELLENCE 2013

perdana petroleum

on the dot. on course.

on the **move**

annual report 2013

Contents

GROUP VISION

To be the leading and preferred offshore marine operator for the upstream oil & gas industry in the region.

Perdana Petroleum charts another year of growth through precise navigation towards set goals. Leveraging on our strengths, we have optimised our performance in key areas of operations and are set on course towards delivering further efficiencies in the coming financial year.

Corporate Information

Board of Directors

Capt Surya Hidayat
Managing Director

Dato' Kho Poh Eng
Executive Director

Shamsul Saad
Executive Director

Koh Pho Wat
Executive Director

Soon Fook Kian
Executive Director

Ganesan Sundaraj
Independent Non-Executive Director

Raja Anuar Raja Abu Hassan
Independent Non-Executive Director

Leong Pooi Wah
Independent Non-Executive Director

Wong Chee Lin
Independent Non-Executive Director

Ling Suk Kiong
Non-Independent Non-Executive Director

Bailey Kho Chung Siang
Non-Independent Non-Executive Director

Hamdan Rasid
Non-Independent Non-Executive Director

Company Secretary

Leong Oi Wah (MAICSA 7023802)

Audit & Risk Management Committee

Ganesan Sundaraj
Chairman

Raja Anuar Raja Abu Hassan
Member

Leong Pooi Wah
Member

Remuneration Committee

Raja Anuar Raja Abu Hassan
Chairman

Ganesan Sundaraj
Member

Dato' Kho Poh Eng
Member

Nomination Committee

Raja Anuar Raja Abu Hassan
Chairman

Ganesan Sundaraj
Member

Leong Pooi Wah
Member

Registered Office & Headquarters

No. 6-8, Jalan Seri Utara 1
Seri Utara, Batu 7, Jalan Ipoh
68100 Kuala Lumpur
Tel : +603-6257 1111
Fax : +603-6257 7708
E-mail : ppb.corporate@perdana.my
Website : www.perdana.my

Auditors

Crowe Horwath (AF 1018)
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Share Registrar

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +603-2264 3883
Fax : +603-2282 1886

Principal Bankers

HSBC Bank Malaysia Berhad (127776-V)
United Overseas Bank (Malaysia) Berhad (271809-K)
OCBC Bank (Malaysia) Berhad (295400-W)
CIMB Bank Berhad (13491-P)
Hong Leong Bank Berhad (97141-X)
Malayan Banking Berhad (3813-K)

Solicitors

Messrs. Chris Lim Su Heng
T109, 3rd Floor
Centrepoint Bandar Utama
No. 3 Lebuh Bandar Utama
47800 Petaling Jaya, Selangor

Messrs. Adnan Sundra & Low
Level 11, Menara Olympia
No. 8 Jalan Raja Chulan
50200 Kuala Lumpur

Messrs. Ranjit Ooi & Robert Low
No. 53 Jalan Maarof, Bangsar
59000 Kuala Lumpur

Messrs. Sidek Teoh Wong & Dennis
Level 32, Menara TH Perdana
1001 Jalan Sultan Ismail
50250 Kuala Lumpur

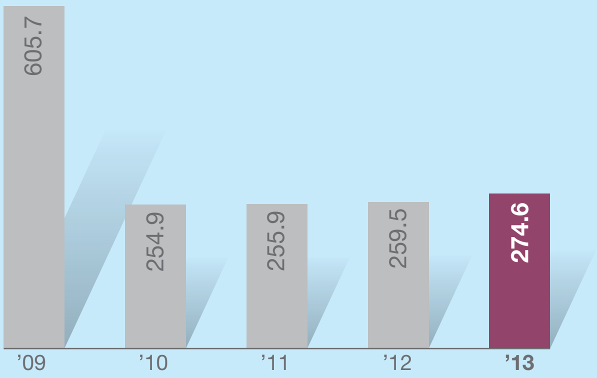
Messrs. Wong Beh & Toh
Level 19, West Block
Wisma Selangor Dredging
142-C Jalan Ampang
50450 Kuala Lumpur

Stock Exchange Listing

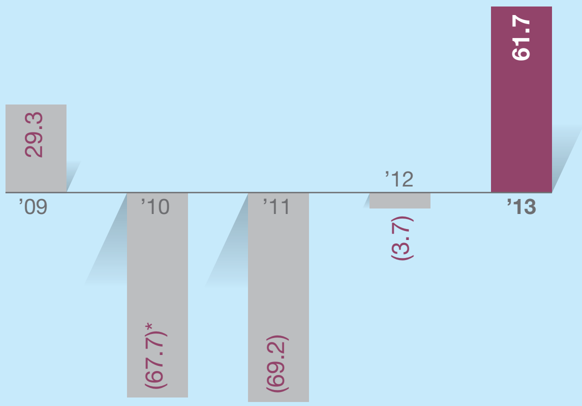
Main Market of
Bursa Malaysia Securities Berhad
Sector : Trading/Services
Stock Code : 7108
Stock Name : PERDANA

Financial Highlights

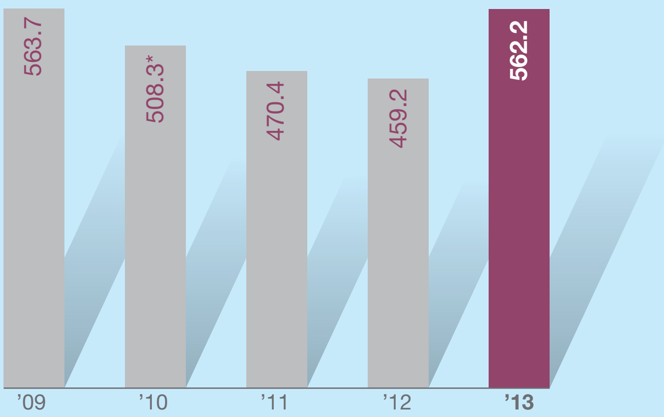
TURNOVER (RM' Million)



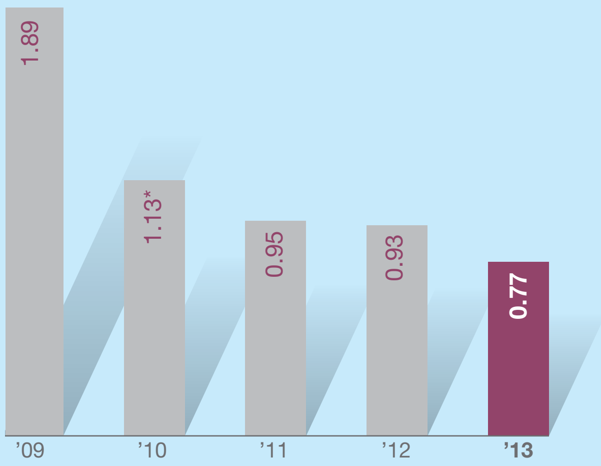
NET PROFIT (RM' Million)



SHAREHOLDERS' FUND (RM' Million)



NET ASSETS PER SHARE (RM)



* Restated due to prior year adjustments by an associate.

On The Dot

Our vessels have arrived **ON THE DOT**
to tap high growth opportunities

Board of Directors

Capt Surya Hidayat
Managing Director

Dato' Kho Poh Eng
Executive Director

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Non-Independent
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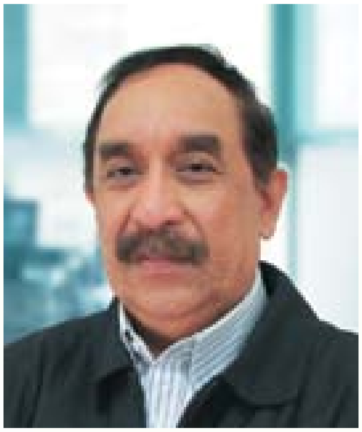
Bailey Kho Chung Siang
Non-Independent
Non-Executive Director

Hamdan Rasid
Non-Independent
Non-Executive Director

Management Team


Farid Khan Kaim Khan
Director (PMO)


Teo Swee Hong
Executive Director (IOS)


Christopher Then
Executive Director (IOS)


Agnes Yap
Financial Controller


Leong Wai Lian
General Manager
Human Resource & Administration


Edwin Lim
General Manager
Legal


Padmarajen Karuppan
General Manager
Fleet Management (IOS)


Maslina Abdullah
Senior Manager
Chartering (IOS/PNSB)


Md Ariffin Salehuddin
Fleet Manager (PMO)

Capt Mohd Faizal Mustafa
Manager
Health Safety and Environment (IOS)

Loo Yuen Kong
Manager
Internal Audit

Hanesa Ahmad Thani
Manager
Finance and Administration (PMO)

Capt Mohd Kemal Riswandha
Manager
Operations (PMO)

James Ong
Manager
Organisation & Methods

David Kwek
Manager
Risk Management

Capt Yuppy
Manager
Crewing and Training (PMO)

Christabelle Ho
Manager
Procurement (IOS)

Kay Woon Ping
Manager
Crewing (IOS)

Alvin Kho Tee Seong
Manager
Corporate Finance

Jeffrey Ng Chong Yau
Manager
Information Technology

Mohamed Padillah Osman
Manager
Quality Health Safety and Environment (PMO)


On Course
perdana
petroleum
EVEN DAYS
OFF
NO.1
0
10
20


NFU
PORT
With talented human capital and
strategic offshore assets, we are
ON COURSE to deliver greater value

Managing Director's Message

Capt Surya Hidayat

Dear Valued Shareholders,

The financial year 2013 has indeed been a blessed year for Perdana Petroleum Berhad ("Perdana Petroleum" or "our Group" or "our Company"). As we celebrated our 25th anniversary in business, we have also delivered a remarkable financial performance in spite of the continuing challenging business environment. With the dedicated efforts from all our employees, our Group has secured sizeable long term contracts and achieved robust vessel utilisation rates during the year.

FINANCIAL PERFORMANCE

For financial year 2013, our Group registered a turnover of RM274.6 million and profit before taxation of RM65.4 million, as compared to a turnover of RM259.5 million and loss before taxation of RM2.3 million in 2012.

The improved turnover and profit before taxation were mainly attributable to the increase in vessel utilisation and charter rates for 2013, plus the substantial reduction in vessel operating costs in 2013 as a result of significant improvement in operational excellence.

Following the strong earnings turnaround in financial year 2013, we expect this positive momentum to continue into financial year 2014 as our Group continues with our strategy of fleet expansion and maximising vessel utilisation with high operational efficiency.

I am glad to report that our Group has recorded a profit before taxation of RM65.4 million in financial year 2013 as compared to a loss of RM2.3 million in financial year 2012. As it stands today, 15 vessels out of our fleet of 17 vessels are on long-term charters valued at about RM1.4 billion. It is noteworthy that, at an average age of about 4 years, our fleet of 8 Anchor Handling Tug & Supply ("AHTS") vessels, 7 work barges and 2 work boats is one of the youngest fleet in the market, and this translates into longer revenue earning capacity.

Supported by a strengthened balance sheet, a pool of talented human capital and an expanding young fleet, the management is committed to seek continuous improvements in its financial and operational performances in 2014 and the years ahead.

On behalf of the Board of Directors, it is my honour and my privilege to present to you the Annual Report of our Group for the financial year ended 31 December 2013.

SHAREHOLDERS' VALUE CREATION

We remain focused and committed to grow our business to create value for our shareholders. In 2013, our Group geared towards fleet expansion strategies to tap high growth opportunities in the cyclical upturn in the offshore support vessels ("OSV") market with the objective of securing income visibility and stability. These strategies also allowed us to be competitive in our market and the Board is confident that these strategies will continue to bear fruits for our Group in the years ahead and will thus result in potential market capitalisation growth. In view of this on-going fleet expansion exercise, the Board does not recommend the payment of dividends for the financial year 2013.

Other measures undertaken by the Board to enhance shareholders' value include the strengthening of our Group's financial performance, the consistently prudent management of cash-flow and the continuous engagements with investors.

Managing Director's Message (Cont'd)

I am glad to note that the share price of Perdana Petroleum on Bursa Malaysia has performed exceptionally well during the year, surging 106% from RM1.08 on 1 January 2013 to close at RM2.23 (RM1.59 ex-bonus) on 31 December 2013.

CORPORATE DEVELOPMENTS

In December 2013, Perdana Petroleum undertook a bonus issue of 207.8 million new ordinary shares on the basis of 2 bonus shares for every 5 existing shares held. One of the reasons for this bonus issue was to reward our shareholders for their continued support and loyalty to our Company.

During the year 2013, we had the opportunity to enhance our collaboration with our major shareholder, Dayang Enterprise Holdings Berhad ("Dayang Enterprise"), because our OSV ownership and operations complement those of Dayang Enterprise, whose mainstay is in the hook-up, commissioning and topside maintenance services. These synergistic collaborations have enabled both companies to collectively benefit from new opportunities in integrated brownfield services.

In May 2013, through the continued strategic collaboration with Dayang Enterprise, our Group was awarded the long term charter for the supply of 5 work barges and 1 work boat for the duration of 5 years, with an estimated contract value of RM705 million. These long term contracts are expected to contribute positively to our Group's earnings for the current financial period and thereafter for the duration of the contracts.

To date, our order book value stands at about RM1.4 billion with 15 of our 17 vessels on long-term charters and we anticipate that the favourable ratio of supply and demand for the remaining 1 vessel and other vessels that we intend to acquire will remain sustainable.

Today, Perdana Petroleum owns and operates 17 vessels which include 8 AHTS vessels, 7 work barges and 2 work boats to undertake a mix of greenfield and brownfield charters. The fleet size will increase to 18 when we take delivery of another work barge in the 3rd Quarter of 2014. With an expanding young fleet, we continue to leverage on lower operating costs and more efficient operations to meet the expectations of improved financial performance, going forward.

OPERATIONAL HIGHLIGHTS

In 2013, we have successfully increased our fleet strength and at the same time we also managed to improve the utilisation rate compared to the previous year. This is one of the major contributing factors that has resulted in a remarkable improvement in our financial results for the year. Our strategy of targeting a higher proportion of long-term charters as opposed to short-term charters (less than 12 months) to achieve earnings visibility and stability bore fruits in 2013. In January 2013, we secured long-term contracts amounting to about RM430 million for the supply of 4 units of AHTS vessels for a period of 5 years.

HEALTH, SAFETY & ENVIRONMENT

We take pride that our Group complies with applicable maritime laws & regulations, international conventions and classification rules. We ensure that all marine and onshore resources are safely and securely managed and operated in line with the objectives of our Group's health, safety and environment ("HSE") policies on safety at sea and workplace, prevention of human injury, zero fatality, zero lost time incidents and avoidance of damage to environment and property.

In view of the high-risk and hazardous work environment in which we operate in, our Group places high priority on HSE practices. To ensure the safety of our team mates, we have a "Stop Work Policy" which allows every team member the right to stop work whenever he or she feels that any activities being carried out could result in a potentially serious incident.

CORPORATE GOVERNANCE

It is because we are a management-driven organisation that holds true to the culture of excellence that Perdana Petroleum has continued to stay resilient over the years. The current Board of Directors continues to perform in an exemplary manner and uphold the tenets of integrity, accountability and transparency. We remain faithful to our commitment to lead Perdana Petroleum to profitability without sacrificing our integrity.

Our Board of Directors also receives very good counsel from our very capable Independent Directors who challenge us all to strive harder.

OUTLOOK AND PROSPECTS

In 2014, world crude oil prices are expected to weaken slightly as compared to 2013. Supply from non-Organisation of Petroleum Exporting Countries (non-OPEC) is expected to continue its upward climb in 2014. Production is also expected to increase in the Middle East due to improved geopolitical situation although much of this could be absorbed by improving manufacturing activities in the U.S., Europe and China. Overall, as long as there is no drastic deviation of prices from the levels seen in 2013, global and domestic oil & gas ("O&G") activities will be sustained in high gear driven by advances in upstream and recovery technologies which open up new frontiers for exploration and marginal oil recovery.

On the domestic front, there will be continuing upsurge in offshore O&G activities spearheaded by Petronas' 5 year (2011-2015) RM300 billion CAPEX investments to reverse its declining hydrocarbon production. With the anticipated increase in offshore O&G activities as a result of heightened exploration activities, development of marginal oil fields and rejuvenation of existing fields, the demand for OSV such as our AHTS vessels, work barges and work boats will be on the high side to support such activities.

The Board remains cautiously optimistic about the prospects steaming from this cyclical upturn in the OSV market and believes that better utilisation rates are on the cards.

IN APPRECIATION

On behalf of our Board of Directors, I thank you, our valued shareholders, for your faith in us and your support for us, to continue our efforts to bring our Company to greater heights.

I would also like to thank our customers, business partners, suppliers, fund managers, The Minority Shareholder Watchdog Group and other stakeholders for their continued support and confidence in Perdana Petroleum.

My thanks also go to my colleagues on the Board for their wise counsel and insights.

I also wish to record our sincere appreciation to our Executive Director, Mr Francis Koh Pho Wat, who will be retiring at the forthcoming Annual General Meeting and will not be seeking re-election. On behalf of the Board, I thank him for his services and guidance throughout his tenure as Executive Director of our Company and wish him well in his future endeavours.

And, last but not least, my deep appreciation goes to all employees of Perdana Petroleum Berhad and its subsidiaries for their unswerving loyalty and their remarkable determination that keep us **"On the dot. On course. On the move."**

Thank you

Capt Surya Hidayat
Managing Director

Corporate Responsibility

The Group firmly believes responsible corporate practices are essential to the sustainability and long-term growth of its business. We remain committed to undertaking exemplary corporate conduct in the creation of sustainable value for all our stakeholders. Our Framework for Sustainability, covering the dimensions of the Workplace, Environment, Community and Marketplace, is subsumed in our corporate culture, as an integral part of our organizational strategy. Priorities in our corporate responsibility ("CR") initiatives are guided by exigencies that are bound by the sustainability framework and available resources.

HEALTH, SAFETY, SECURITY & ENVIRONMENTAL ("HSSE") PRACTICES

In FY2013, our CR efforts have primarily been to actively promote and prioritise safe working practices and initiatives onboard vessels and office premises. Health, Safety, Security & Environmental ("HSSE") practices were placed with utmost importance given the high-risk and hazardous work environment in which we operate. We worked to strengthen the skill set and expertise of our workforce so that they in turn could help us deliver on our CR commitment to our stakeholders. Being the Malaysian leader in our segment of the offshore support vessel business and a respected brand name in our regional market, we have the added responsibility of ensuring we maintain stringent compliance with international HSSE standards.

Some of the HSSE activities the Group conducted in FY2013 included:

- Safety campaign on hand and finger injury for crews onboard vessels;
- Fire prevention awareness campaign for employees in office;
- Onshore safety familiarization for pre-joining crew;
- Fire drill conducted for employees in office;
- Audit by clients;
- Management Walkabouts onboard vessels;
- HSSE training onboard vessels on Safety Management Manual;
- Random drug and alcohol test on crew;
- Health monitoring for Body Mass Index and blood pressure on crew.

Our emphasis on safety and the environment will not only help strengthen the Perdana Petroleum brand but also Malaysia's international standing in the oil and gas industry. All these will remain priority areas for us as we work towards turning around and moving up to the next level of growth.

COMMUNITY

Although the HSSE practices have been our emphasis, the Group has not neglected its social responsibility towards the community.

The Group had contributed philanthropically towards the community in support of charitable services and education establishments.

WORKPLACE

The Group appreciates and recognizes its employees who form the backbone and the pillar of success in the Group. Believing in the strength of its employees who will continue to propel the Group forward towards its journey of success, the Group continues to embark on activities in support of its social objectives towards its employees.

Corporate Responsibility (Cont'd)

SUSTAINABLE BUSINESS ENVIRONMENT

As part of our contribution to a sustainable business environment, Perdana Petroleum is also a very active participant in the Malaysian Oil & Gas Services Council ("MOGSC"), the largest grouping of services companies in the oil & gas industry in the country. It is a well-recognized, effective grouping which involves participation of stakeholders such as MPRC, PETRONAS, MATRADE and various other agencies domestic and international in certain activities at various levels to spur the development of technology transfer, value creation and commercial growth for the overall oil & gas services industry. Above all else MOGSC provide us the platform to provide input and feedback-loop to ensure sustainability of our business with respect to policies and direction to be taken by the main E&P national authority, PETRONAS.

Throughout the year, some of these initiatives for employees included:

- Staff Appreciation Dinner held in Glenmarie Golf and Country Club;
- Buka Puasa Ramadan held in Sime Darby Convention Center;
- Durian Buffet Feast for office staff;
- Various sporting and recreational activities such as yoga, badminton, bowling and futsal sessions organised by the Group's Sport and Recreation Club members;
- Setting up of a dedicated gym for employees to promote fitness and health amongst employees;
- Engaging Personal Trainer to coach and guide employees in the gym;
- Training on Personal Protection and Safety Awareness in response to nationwide concerns on personal safety issues.

On The Move


Constantly ON THE MOVE
to reach greater heights

Audit & Risk Management Committee Report

MEMBERS OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The current members of the Audit & Risk Management Committee are as follows:

Ganesan Sundaraj	Chairman (Independent Non-Executive Director)
Raja Anuar Raja Abu Hassan	Member (Independent Non-Executive Director)
Idris Zaidel (resigned on 19.11.2013)	Member (Independent Non-Executive Director)
Leong Pooi Wah	Member (Independent Non-Executive Director)

RESPONSIBILITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee is responsible for the following:

- To examine the manner in which management ensures and monitors the adequacy of the nature, extent and effectiveness of accounting and internal control systems;
- To examine and review the adequacy and effectiveness of management and operations;
- To review the statutory accounts and other published financial statements and information;
- To monitor relationships with external auditors, to ensure that there are no restrictions on the scope of the statutory audit; to make recommendations on the auditors' appointment, remuneration and dismissal; and to review the activities, findings, conclusions and recommendations of the external auditors;
- To review arrangements established by management for compliance with regulatory and financial reporting requirements;
- To approve the appointment or termination of the Head of Internal Audit who shall report directly to the Committee and have a right of direct access to the Chair of the Committee at all times; to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; to receive and review reports from the Head of Internal Audit; and on occasion to commission audit engagements to be conducted on the Committee's behalf; and
- To perform any other duties as required by Bursa Malaysia Securities Berhad or any other regulatory bodies.

The purview of the Audit & Risk Management Committee extends to all the operations within the Company and the Group.

AUDIT & RISK MANAGEMENT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2013

The Audit & Risk Management Committee held six meetings during the financial year under review with the following attendance record:

Audit & Risk Management Committee Members	Attendance
Ganesan Sundaraj	6/6
Raja Anuar Raja Abu Hassan	6/6
Idris Zaidel (resigned on 19.11.2013)	5/6
Leong Pooi Wah	4/4

SUMMARY OF ACTIVITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee activities during the financial year ended 31 December 2013 ("FY 2013") encompassed the following:

a. In overseeing financial reporting, the Audit & Risk Management Committee reviewed the quarterly financial statements for the fourth quarter and year ended 31 December 2012 ("FY2012") at its meeting on 25 February 2013, the annual audited financial statements for FY2012 at its meeting on 11 April 2013, and the quarterly financial statements for the first, second and third quarters of FY2013 at its meetings on 20 May 2013, 20 August 2013 and 19 November 2013 respectively, before recommending the same for the Board's approval;

b. The Audit & Risk Management Committee deliberated on the external auditors' report on the observations made in the course of the audit at its meetings on 25 February 2013;

Audit & Risk Management Committee Report (Cont'd)

c. The Audit & Risk Management Committee approved the 2013 Internal Audit Plan at its meeting on 25 February 2013. The Head of Internal Audit presented at every Audit & Risk Management Committee meeting the Group's internal audit reports on the status and progress of its internal audit assignments including the summary of audit reports issued, audit recommendations and Management's response to the recommendations;

d. On 11 April 2013, the Audit & Risk Management Committee reviewed the Statement on Risk Management and Internal Control and recommended it for inclusion in the 2012 Annual Report;

e. The Audit & Risk Management Committee assessed the services of the External Auditors on 11 April 2013 and recommended their re-appointment as well as the proposed audit fees for FY2012;

f. On 4 July 2013, the Audit & Risk Management Committee reviewed the terms of the recurrent related party transaction with Dayang Enterprise Sdn Bhd as well as the Circular to Shareholders in relation to the recurrent related party transaction and recommended it to the Board for approval and submission to Bursa Securities; and

g. On 19 November 2013, the Audit & Risk Management Committee reviewed the external auditors' Audit Planning Memorandum comprising their scope of audit for the statutory audit for FY2013.

The Audit & Risk Management Committee also reviewed and recommended for the Board's adoption, the Whistleblowing Policy & Procedures, the Related Party Transaction Policy & Procedures and the Internal Audit Policy & Procedures.

During the financial year, the Audit & Risk Management Committee met with the external auditors twice without the presence of the Management and Executive Directors to discuss on key concerns and obtain feedback relating to the Company's affairs. Nothing has come to the attention of the Audit & Risk Management Committee that causes them to believe that the financial reporting is inconsistent with the accounting standards and other legal requirements.

INTERNAL AUDIT FUNCTION

The Board obtains sufficient assurance of the effectiveness of risk management, internal control and governance processes in the Group, through regular reviews and appraisals conducted by the Group Internal Audit Department, which reports directly to the Audit & Risk Management Committee. The Audit & Risk Management Committee determines the adequacy of the scope, function and resources of the internal audit function as well as the competency of the Internal Auditors.

In its endeavour to provide reasonable assurance on the state of internal control in the Group, the internal audit function carried out its reviews based on the 2013 Internal Audit Plan which was develop using a risk-based approach and approved by the Audit & Risk Management Committee.

The Internal Audit Reports were issued to the relevant Management at the conclusion of every audit engagements and reviewed by the Audit & Risk Management Committee. Audit findings that require corrective actions were highlighted to the Audit & Risk Management Committee and the relevant Management. The relevant Management were made responsible to implement corrective actions for the reported weaknesses within the required timeframe. The internal audit function conducted follow up audits to ensure that the corrective actions were implemented by the relevant Management.

All the internal audit activities for FY2013 were conducted by the in-house audit team. There were no areas of the internal audit function which were outsourced. During the financial year 2013, an amount of RM320,621 (2012 – RM299,705) was incurred in respect of the Group's internal audit function.

EXTERNAL AUDIT FUNCTION

Besides performing the planned statutory audit, the external auditors also provided non-audit services where the engagement does not impair the independence or objectivity of the external auditors.

Based on the external auditors' review, in accordance with applicable Approved Standards on Auditing in Malaysia, the financial statements for FY2013 were drawn to give a true and fair view of the financial position of the Group in accordance with the Companies Act 1965 and approved accounting standards. The performance of the external audit function has been reviewed and assessed based on agreed performance criteria as set out in the external auditors' Audit Planning Memorandum, timelines and adequacy of resources to achieve the agreed scope of the external audit. The Audit and Risk Management Committee recommended their reappointment for FY2014.

Statement on Corporate Governance

The Board of Directors firmly believes that good corporate governance is the key to the improved long-term performance of the Group and that a sound governance structure is fundamental to safeguard the interests of all its stakeholders.

THE BOARD OF DIRECTORS

Size and Composition

The Board currently comprises twelve (12) Members of whom five (5) are Executive Directors and seven (7) are Non-Executive Directors.

Four (4) of the Non-Executive Directors are independent and meets the Independent Director criteria as set out in the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements.

The Board has assessed and find that the Independent Non-Executive Directors are independent of Management and free from any business or other relationship with the Company which could materially affect the exercise of their independent judgment. The Independent Non-Executive Directors facilitates the Board to exercise objective judgment independently in particular from the Management.

The current composition is well balanced and caters effectively to the scope and complexity of the Group's operations as a leading and preferred offshore marine operator for the upstream oil and gas industry in the region. The Malaysian Code on Corporate Governance 2012 states that "there should be a clearly accepted division of responsibilities at the head of the company which will ensure a balance of power and authority, such that no one individual has unfettered powers of decision". The Company has appointed Capt Surya Hidayat as the Managing Director and his responsibilities as the Chief Executive Officer ("CEO") is to oversee the operations and affairs of the Board, providing leadership, strategic vision and meeting immediate performance targets without neglecting longer-term growth opportunities of the Group. The Board views that a chairman who is an independent non-executive director will provide a balance to the influence of the CEO and have agreed not to combine the roles. The Board will ensure that the candidate selected as the Independent Chairman has the experience, temperament and commitment to be effective in his role.

The Board's main duties include regular oversight of the Group's business operations and financial performance and ensuring that the infrastructure, internal controls, and risk management processes are firmly in place to assess and manage business risks, inter-alia, operational, credit, market and liquidity risks. The Board has formalised these duties into a Board Charter and have a Code of Conduct to ensure the implementation of appropriate internal sytems to support, promote and ensure its compliance. A wistleblowing policy was also adopted as part of the Company's commitment to the highest standards of professional integrity, ethical behaviour, transparancy and fair dealing in the conduct of its business.

The Directors discharge their duties as effective Board members with personal dedication of time and ability to bring new and different perspectives to the Board.

The Board has identified Mr. Ganesan Sundaraj as the Senior Independent Director ("SINED") to whom concerns of shareholders and other stakeholders may be conveyed.

Board Meetings and Supply of Information

The Board meets regularly, at least once every quarter to review the business performance of the Group.

Members of the Board deliberate and in the process evaluate the potential risks and viability of business propositions and corporate proposals that have significant impact on the Group's business or on its financial position.

The Chairman of the Board Committees will inform the Directors at Board meetings, matters and recommendations which the Board Committees view ought to be highlighted to the Board.

Board meetings are governed by a structured formal agenda and the agenda for each Board meeting and papers relating to the agenda items are forwarded to all Directors for their perusal in advance of the date of the Board meeting. Board meeting papers circulated to Directors include details of business propositions and corporate proposals including where relevant, supporting documents such as professional advice from solicitors or advisers. The Directors are thus able to peruse the Board papers and appraise the issues to be deliberated at the Board meeting well before the date of the meeting.

Statement on Corporate Governance (Cont'd)

The Board has direct access to Senior Management and has complete and unimpeded access to information relating to the Company in the discharge of their duties. The Directors may require to be provided with further details or clarifications on matters tabled at Board meetings. Senior Management Officers are invited to attend the Board meetings to update the Board on their respective portfolios and to brief the Directors on proposals submitted for the Board's consideration. Professional advisers, accountants and solicitors appointed by the Company to advise on corporate proposals to be undertaken by the Company would be invited to attend Board meetings to render their advice and opinion, and also to clarify any issues raised by the Directors relating to the corporate proposals tabled for the Board's consideration. The Directors have the liberty to seek external professional advice at the Company's expense, if they so require.

The Directors are also regularly updated and advised by the Company Secretary on new statutory and regulatory requirements relating to the discharge of their duties and responsibilities, including amendments to the Listing Requirements by Bursa Securities. Every Member of the Board has ready and unrestricted access to the advice and services of the Company Secretary. The Company Secretary attends all Board meetings and ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are kept.

Even though the Company has not appointed a Chairman of the Board, the Directors at each Board Meeting will appoint an Independent Non-Executive Director to chair the proceedings. This is to ensure there is a balance to the influence of the Executive Directors with no one individual having unfettered powers of decision.

The commitment of the Board of Directors in ensuring effective discharge of their duties and responsibilities is reflected by the high number of Board meetings held during the financial year ended 31 December 2013.

During the financial year ended 31 December 2013, the Board met 5 times and the attendance record of the present Board members are as follows:-

Names of Directors	Attendance
Shamsul Saad	5/5
Dato' Kho Poh Eng	5/5
Koh Pho Wat	5/5
Ganesan Sundaraj	5/5
Capt Surya Hidayat	5/5
Raja Anuar Raja Abu Hassan	5/5
Idris Zaidel (resigned on 19.11.2013)	5/5
Hamdan Rasid	5/5
Soon Fook Kian	5/5
Leong Pooi Wah	5/5
Ling Suk Kiong	5/5
Bailey Kho Chung Siang	5/5
Wong Chee Lin (appointed on 4.3.2014)	N/A

Directors' Training and Education

The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances and regulatory updates. The Directors are encouraged to attend continuous education programmes to further enhance their skills and knowledge, where relevant. All Directors have completed the Mandatory Accreditation Programme pursuant to the Listing Requirements of Bursa Securities and have been briefed by the Management on the operations and policies of the Company to familiarize themselves with the Company's business. As part of the annual in-house Directors' Training, the Secretary conducted a training on the topic, "Malaysian Code on Corporate Governance 2012" and views were exchanged amongst the Directors who attended this training.

Statement on Corporate Governance (Cont'd)

During the financial year ended 31 December 2013, the following Directors attended the trainings as set out below:

Director	Mode of Training	Title of Training	Duration of Training
Capt. Surya Hidayat	Special Dialogue	MSWG-ASEAN Corporate Governance Scorecard 2013	½ Day
	Conference	MAICSA-Ethical Leadership-Key to Business Growth	2 Days
Raja Anuar Raja Abu Hassan	Seminar	MFRS/IFRS Guide for Audit Committee, Independent Directors & Internal Auditors	2 Days
	Workshop	Risk Management & Control for Audit Committees	1 Day
	Seminar	MSWG-Forensic Accounting for Non-Executive Directors	1 Day
Hamdan Rasid	Seminar	MSWG-Forensic Accounting for Non-Executive Directors	1 Day
Ling Suk Kiong	Conference	Latest Corporate Governance Requirement – 2nd Edition issued by Bursa Malaysia	1 Day

Appointment of Board Members and Terms of Reference of Nomination Committee

The proposed appointment of a new member of the Board other than those nominated by shareholders for appointment at the Annual General Meeting and the proposed re-election of existing Directors who are seeking re-appointment or re-election at the annual general meeting of the Company will be reviewed and assessed by the Nomination Committee. The Nomination Committee will, upon its review and assessment, submit its recommendation on the proposed appointment or re-election of Directors to the Board for approval.

The Nomination Committee comprises entirely of Independent Non-Executive Directors.

The responsibilities of the Nomination Committee are as follows:

a. To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.

b. To recommend for appointment to the Board of Directors, candidates for all directorships to be filled by the shareholders or the Board, taking into consideration the candidates':
   i. skills, knowledge, expertise and experience;
   ii. professionalism;
   iii. integrity; and
   iv. in the case of candidates for the position of Independent Non-Executive Directors, the nominating committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors.

c. To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

d. To recommend to the Board, Directors to fill the seats on Board Committees.

e. To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board.

f. To recommend to the Board for continuation (or not) in service of executive Director(s) and Directors who are due for retirement by rotation.

g. To orientate and educate new Directors as the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.

Statement on Corporate Governance (Cont'd)

The Nomination Committee upon its recent annual review carried out, is satisfied that the size of the Board is sufficient for the Board to effectively discharge its roles and responsibilities for the benefit of the Company and its business and that there is appropriate mix of skills and core competencies in the composition of the Board. The Nomination Committee is satisfied that all the Members of the Board are suitably qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, experience and qualities.

The Nomination Committee has also upon its recent annual review carried out, concluded that all the Directors have received training during the financial year ended 31 December 2013 that is relevant and would serve to enhance their effectiveness in the Board.

Meetings of the Nomination Committee are held as and when required. The Chairman of the Nomination Committee is not the SINED as the Board has segregated the responsibilities of another Independent Non-Executive Director to head this Board Committee.

Directors' Remuneration and Terms of Reference of Remuneration Committee

The Remuneration Committee carries out the review of the overall remuneration policy for Executive Directors whereupon recommendations are submitted to the Board for approval. The Remuneration Committee and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Executive Directors are sufficiently attractive to draw in and to retain persons of high caliber.

The Board as a whole determines the remuneration of Non-Executive Directors, and each individual Director abstains from the Board decision on his own remuneration. The Non-Executive Directors are paid annual fees and attendance allowance for each Board meeting that they attend.

The Remuneration Committee comprises mainly of Independent Non-Executive Directors.

The responsibilities of the Remuneration Committee are as follows:

a. To recommend to the Board the framework of Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary.

b. To recommend to the Board any performance related pay schemes for Executive Directors.

c. To review Executive Directors' scope of service contracts.

d. To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions.

Meetings of the Remuneration Committee are held as and when necessary.

Re-appointment and Re-election of Director

The Articles of Association of the Company provide that at every annual general meeting, one-third of Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election. The Articles further provide that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Board Committees

The Board has established Board Committees to assist the Board in the running of the Company. The functions and terms of reference of Board Committees as well as authority delegated by the Board to these Committees are clearly defined by the Board.

The Board Committees are as follows:
– Audit & Risk Management Committee
– Nomination Committee
– Remuneration Committee

Statement on Corporate Governance (Cont'd)

The composition of the Board Committees are reflected as follows:

	Audit & Risk Management Committee	Nomination Committee	Remuneration Committee
Ganesan Sundaraj	Chairman	Member	Member
Raja Anuar Raja Abu Hassan	Member	Chairman	Chairman (appointed on 25.2.2014)
Idris Zaidel	Member (resigned on 19.11.2013)	Member (resigned on 19.11.2013)	Chairman (resigned on 19.11.2013)
Leong Pooi Wah	Member	Member (appointed on 25.2.2014)	–
Dato' Kho Poh Eng	–	–	Member

Directors' Remuneration

The Remuneration Committee has been delegated the responsibility to review and recommend to the Board the remuneration packages and other terms of employment for the Executive Directors.

The details of the remuneration of the Directors of the Company for the financial year ended 31 December 2013 are as follows:

Group	Fees (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Executive Directors	–	5,900	935	400	7,235
Non-Executive Directors	418	74	–	–	492

The number of Directors whose total remuneration falls within the respective bands is as follows:

	Number of Directors	
	Executive	Non-Executive
RM50,001 – RM100,000	–	7
RM1,000,001 – RM1,050,000	1	–
RM1,150,001 – RM1,200,000	1	–
RM1,300,001 – RM1,350,000	1	–
RM1,450,001 – RM1,500,000	1	–
RM2,250,001 – RM2,300,000	1	–
Total	**5**	**7**

Statement on Corporate Governance (Cont'd)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is committed to provide a balanced, clear and meaningful assessment of the financial performance and prospects of the Group in all the disclosures made to the stakeholders and the Regulatory Authorities.

The Board is assisted by the Audit & Risk Management Committee to oversee the financial reporting processes and the quality of the financial reporting of the Group. The Audit & Risk Management Committee reviews and monitors the integrity of the Group's annual and interim financial statements. It also reviews the appropriateness of the Group's accounting policies and the changes to these policies.

The Statement of Responsibilities by Directors in respect of the preparation of the annual audited financial statements of the Group is set out below.

Internal Control

The Board has overall responsibility for maintaining a system of internal controls that provides reasonable assurance of effective and efficient operations, and compliance with laws and regulations, as well as with internal procedures and guidelines.

The size and complexity of the operations of the Group involves the acceptance and management of a wide variety of risks. The nature of these risks means that events may occur and which would give rise to unanticipated or unavoidable losses. The Group's system of internal controls is designed to provide reasonable and not absolute assurance against the risk of material errors, fraud or losses occurring. The Management meets regularly to ensure that the accountability for managing the significant risks confronting the Group are being satisfactorily addressed on an ongoing basis.

The effectiveness of the system of internal controls of the Group is reviewed by the Audit & Risk Management Committee during its quarterly meetings. The review covers the financial, operational and compliance controls as well as the risk management functions. The Internal Audit Division monitors compliance with policies and standards and the effectiveness of internal control structures across the Group.

The Statement on Risk Management & Internal Control, which provides an overview of the state of internal controls within the Group, is set out in this Annual Report.

Audit & Risk Management Committee

In addition to the duties and responsibilities set out under its terms of reference, the Audit & Risk Management Committee also acts as a forum for discussion of internal control and risk management issues and it contributes to the Board's review of the effectiveness of the internal control and risk management systems of the Group.

The minutes of the Audit & Risk Management Committee meetings are tabled to the Board for noting and for action by the Board where appropriate.

The activities carried out by the Audit & Risk Management Committee during the year are set out under the Audit & Risk Management Committee Report in this Annual Report.

Relationship with External Auditors

It is the policy of the Audit & Risk Management Committee to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. These meetings are held without the presence of the Executive Directors and the Management. The Audit & Risk Management Committee also meets with the external auditors whenever it deems necessary.

The services provided by the external auditors include statutory audits, recurring annual non-statutory audit and non-audit services. Terms of engagement for these services are reviewed by the Audit & Risk Management Committee and approved by the Board. The Audit & Risk Management Committee approves all other non-audit services on a case by case basis. In approving such cases, the Audit & Risk Management Committee reviews the independence and objectivity of the external auditors to ensure that these will not be compromised.

Statement on Corporate Governance (Cont'd)

Effective Communications with Shareholders

A key element of good corporate governance is being transparent and accountable to all stakeholders. Underlying the transparency and accountability objectives is the provision of clear, relevant and comprehensive information which is timely and readily accessible to all stakeholders.

Taking cognizance of this, the Group maintains a high level of disclosure to and communication with its stakeholders with the provision of clear, comprehensive and timely information, particularly to shareholders and investors, for informed investment decision making, through a number of readily accessible channels.

The annual report of the Company is a key channel of communication with shareholders and investors.

An important forum for communication and dialogue with shareholders is the general meetings of the Company where shareholders are given both the opportunity and the time to raise questions on the agenda items of the general meetings and where Directors of the Company would provide the answers and appropriate clarification where required.

The Company conducts separate media and analyst briefing with the release of its quarterly and annual results announcements. The media briefings are intended not only to facilitate a wider dissemination of the announcement of the financial results of the Group to as wide an audience of investors and shareholders as possible but also to keep the investing public and shareholders updated on the progress and development of the business of the Group as well as any strategic developments within the Group.

To promote wider dissemination of corporate and financial information that is made public, the annual reports of the Company, the quarterly announcements of the financial results of the Group, announcements and disclosures made pursuant to the disclosure requirements of the Bursa Securities Listing Requirements and other corporate information are also made available on the Company's website, www.perdana.my.

Prompt and timely availability of information is also important for shareholders and investors to make informed investments decisions. Information that is out of date, albeit comprehensive and accurate, would be of less value to shareholders and investors. As such, the Group places a high priority on ensuring that information is made available and disseminated as early as possible.

Investor Relations

Another important channel of communication with shareholders, investors and the investment community generally, both in Malaysia and internationally, is the Group's investor relations activities. The Group has a strong following amongst domestic and international institutional investors, fund managers and equity analysts, and a direct channel to them exists in the investor relations function of the Group. Management personnel responsible for the Group's investor relations function are of very senior levels, thereby providing views and information on the Group that is appropriate and substantive to investors and research analysts.

Statement of Responsibilities by Directors in the Preparation of Financial Statements

The Directors are required by the Companies Act 1965 ("the Act") to prepare financial statements for each financial year in accordance with approved accounting standards so as to give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year, and of the results and cash flow of the Company and the Group for the financial year.

The Directors are responsible for ensuring that the Company and its subsidiaries maintain proper accounting records which disclose with reasonable accuracy the financial positions of the Company and the Group in compliance with the provisions of the Act and approved accounting standards in Malaysia.

In addition, the Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Corporate Governance (Cont'd)

ADDITIONAL INFORMATION

Utilization of proceeds raised from corporate proposal

There were no fund raising corporate proposal carried out during the financial year 2013.

Share Buy-Back

The Company did not undertake any share buy-back exercise during the financial year under review.

Options, Warrants or Convertible Securities

During the financial year ended 31 December 2013, the Company had a bonus issue of 207,775,515 new ordinary shares of RM0.50 each and correspondingly, an additional 14,828,798 warrants were issued arising from the adjustments made. During the year, 24,312,950 Warrants 2010/2015 were exercised at an exercise price of RM1.00 each and 2,450 Warrants at an exercise price of RM0.71 each into 24,315,400 new ordinary shares of RM0.50 each.

American Depository Receipt (ADR) or Global Depository Receipt (GDR)

The Company did not sponsor any ADR or GDR programme.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, directors or management by any regulatory bodies.

Non-Audit Fees

The non-audit fees paid to the external auditors during the financial year ended 31 December 2013 was RM9,000.

Profit Guarantee

The Company did not receive any profit guarantee during the financial year ended 31 December 2013.

Material Contracts

There were no material contracts entered into by the Company or its subsidiaries involving the directors' and/or major shareholders' interest for the financial year ended 31 December 2013 other than the related party transaction with Dayang Enterprise Sdn Bhd for the chartering of vessels which has been disclosed in Note 35 of the audited financial statement for financial year ended 31 December 2013.

Variation in Results

There was no material variances between the audited results for the financial year ended 31 December 2013 and the unaudited results previously announced.

Information on Directors

The profile of the Directors have not been included in the Annual Report and has been made available on the Company's website http://wwww.perdana.my/board.html

Statement on Risk Management and Internal Control

RESPONSIBILITY

The Board acknowledges its responsibility for the Group's system of risk management and internal control and reviewing the adequacy and effectiveness of the system. The system would provide reasonable assurance in ensuring the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The system is designed to manage the Group's risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve Group's policies and business objectives, and can only provide reasonable but not absolute assurance against material misstatement, losses or fraud.

FRAMEWORK OF THE SYSTEM ON INTERNAL CONTROLS

The key elements of the Group's system of internal controls are as follows:

- Clear organisational structures with defined lines of responsibility and delegation of authority.
- Centralised control of key functions such as corporate affairs, finance, tax, legal, human resources and risk management.
- Participation of management in the identification and evaluation of significant risks relevant to their business areas, and the design and operation of suitable internal controls in managing these risks.
- The Audit Committee, through the Group's Internal Audit Department, examines the adequacy and effectiveness of the Group's system of internal control. The Internal Audit Department adopts a risk-based approach in identifying areas of priority for assurance engagements to ensure that the internal control system is viable and robust.
- The financial performance of the Company for every quarter is subject to review by the Audit Committee and the annual financial statements by both the internal auditors and the external auditors. The Audit Committee then reports and makes recommendations to the Board of Directors.

The Group's system of internal control does not apply to associated company where the Group does not have full management control over them.

RISK MANAGEMENT

There is ongoing risk management process to identify, evaluate, and manage significant risks that may affect the achievement of the Group's business objectives.

The said process is regularly reviewed by the Board and accords with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

The processes in place for the financial year under review involved conducting risk management workshops and subsequent development of Risk Management Schedule to capture and prioritise key risk profiles, delegate ownership of risks, attach timelines to management control and action plans, and, provide continuous monitoring and reporting of risks.

The Board, working together with the management, has taken necessary actions to remedy any significant weaknesses identified and continues to take measures to further enhance and strengthen the Group's risk management and internal control system as one of the means to achieve the Group's business objectives.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 31 December 2013. The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Statement on Risk Management and Internal Control (Cont'd)

CONCLUSION

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board has received assurance from the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

This statement was approved by the Board of Directors on 10 April 2014.


Working Together
Adding Value

Financial Statements

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company and is also engaged in the provision of administrative and management services to its subsidiaries. The principal activities of the subsidiaries are described in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	61,978	(8,435)
Attributable to:		
Owners of the Company	61,660	(8,435)
Non-controlling interests	318	–
	61,978	(8,435)

DIVIDENDS

No dividend was paid by the Company since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

1. there was no change in the authorised share capital of the Company; and

2. the Company increased its issued and paid-up share capital from RM247,566,000 to RM363,611,458 by:

   (a) the issuance of bonus shares of 207,775,515 new ordinary shares of RM0.50 each credited as fully paid-up by way of capitalising the share premium account on the basis of two (2) bonus shares for every five (5) existing ordinary shares held; and

   (b) the exercise of 24,312,950 Warrants at an exercise price of RM1.00 each and 2,450 Warrants at an exercise price of RM0.71 each into 24,315,400 new ordinary shares of RM0.50 each.

3. there were no issues of debentures by the Company.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

WARRANTS 2010/2015

The Company had on 27 October 2010 issued 61,379,785 free Warrants in conjunction with the Rights Issue, were listed and quoted in the Main Market of Bursa Malaysia Securities Berhad on 1 November 2010. The Warrants are constituted by a Deed Poll dated 15 September 2010.

On 6 December 2013, an additional 14,828,798 Warrants, arising from the adjustments made as a result of the bonus issue, were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The exercise price for the Warrants has been revised from RM1.00 to RM0.71 per Warrants consequential to the bonus issue. The adjustments to the number of outstanding Warrants and the exercise price for the Warrants are in accordance with the provision of the Deed Poll.

The salient terms of the Warrants 2010/2015 are as follows:-

(a) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 each in the Company at any time on or before the maturity date, 26 October 2015, falling five (5) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid; and

(b) The new ordinary shares to be issued upon the exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company.

The movements of the Warrants during the financial year are as follows:-

	Entitlement For Ordinary Shares Of RM0.50 Each			
	At 1.1.2013	**Adjustments arising from bonus issue**	**Exercised**	**At 31.12.2013**
Number of unexercised Warrants	61,379,785	14,828,798	(24,315,400)	51,893,183

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 37 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The directors who served since the date of the last report are as follows:-

Surya Hidayat Bin Abd Malik	
Dato' Kho Poh Eng	
Shamsul Bin Saad	
Koh Pho Wat	
Soon Fook Kian	
Ganesan A/L Sundaraj	
Raja Anuar Bin Raja Abu Hassan	
Hamdan Bin Rasid	
Leong Pooi Wah	
Ling Suk Kiong	
Bailey Kho Chung Siang	
Wong Chee Lin	(Appointed on 4 March 2014)
Idris Bin Zaidel	(Resigned on 19 November 2013)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.50 Each				
	At 1.1.2013	**Bonus Issue**	**Bought**	**Sold**	**At 31.12.2013**
Direct Interests in the Company					
Surya Hidayat Bin Abd Malik	-	116,000	290,000	–	406,000
Dato' Kho Poh Eng	19,885,078	10,693,991	6,849,900	–	37,428,969
Shamsul Bin Saad	2,184,375	913,750	200,000	(100,000)	3,198,125
Koh Pho Wat	20,517,731	8,207,091	–	–	28,724,822
Soon Fook Kian	1,826,628	730,651	–	–	2,557,279
Deemed Interests in the Company					
Dato' Kho Poh Eng	100,000	40,000	–	–	140,000#
Shamsul Bin Saad	9,625	–	–	(9,600)	25#
Koh Pho Wat	311,000	124,400	–	–	435,400#

Deemed interested by virtue of his children and spouse's shareholdings in the Company.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

	Number Of Warrants 2010/2015				
	At 1.1.2013	Adjustment Due To Bonus Issue	Bought	Sold	At 31.12.2013
Direct Interests in the Company					
Dato' Kho Poh Eng	2,844,724	1,137,889	–	–	3,982,613
Shamsul Bin Saad	23,437	9,374	–	–	32,811
Koh Pho Wat	2,934,200	1,173,679	–	–	4,107,879
Soon Fook Kian	297,750	119,100	–	–	416,850
Deemed Interests in the Company					
Dato' Kho Poh Eng	14,466	5,786	–	–	20,252#
Shamsul Bin Saad	1,312	524	–	–	1,836#
Koh Pho Wat	42,484	16,993	–	–	59,477#

\# *Deemed interested by virtue of his children and spouse's shareholdings in the Company.*

The other directors holding office at the end of the financial year had no interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 43 to the financial statements.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 10 April 2014.

Koh Pho Wat

Surya Hidayat Bin Abd Malik

STATEMENT BY DIRECTORS

We, Koh Pho Wat and Surya Hidayat Bin Abd Malik, being two of the directors of Perdana Petroleum Berhad, state that, in the opinion of the directors, the financial statements set out on pages 34 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 44 on page 108, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 10 April 2014.

Koh Pho Wat

Surya Hidayat Bin Abd Malik

STATUTORY DECLARATION

I, Soon Fook Kian, being the director primarily responsible for the financial management of Perdana Petroleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 107 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Soon Fook Kian, at Kuala Lumpur
in the Federal Territory
on this 10 April 2014.

Soon Fook Kian

Before me
Datin Hajah Raihela Wanchik (No. W-275)
Pesuruhjaya Sumpah

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PERDANA PETROLEUM BERHAD

Report on the Financial Statements

We have audited the financial statements of Perdana Petroleum Berhad, which comprise statements of financial position as at 31 December 2013 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 107.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF PERDANA PETROLEUM BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 44 on page 108 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants
10 April 2014

Kuala Lumpur

Ooi Song Wan
Approval No: 2901/10/14 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	198,881	224,860
Other investments	6	150	250	–	–
Property, plant and equipment	7	961,556	474,305	1,866	1,977
Amount owing by subsidiaries	8	–	–	–	218,460
Refundable deposits	9	52,697	108,194	–	–
Intangible assets	10	27,507	27,507	–	–
Deferred tax asset	11	46	46	46	46
Derivative asset	12	421	–	–	–
		1,042,377	610,302	200,793	445,343
CURRENT ASSETS					
Inventories	13	1,310	3,825	–	–
Receivables	14	49,824	89,260	367	616
Amount owing by subsidiaries	8	–	–	473,089	241,895
Amount owing by a related party	15	19,953	–	–	–
Tax recoverable		3,231	3,110	3,048	3,070
Fixed deposits with licensed banks	16	26,098	21,631	13,200	19,364
Cash and bank balances		34,928	19,187	20,132	11,304
		135,344	137,013	509,836	276,249
Non-current assets classified as held for sale	17	4,576	10,566	–	–
TOTAL ASSETS		1,182,297	757,881	710,629	721,592

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D) AT 31 DECEMBER 2013

		The Group		The Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	363,611	247,566	363,611	247,566
Reserves	19	198,569	211,646	132,795	232,028
Equity attributable to owners of the Company		562,180	459,212	496,406	479,594
Non-controlling interests		(248)	(237)	–	–
TOTAL EQUITY		561,932	458,975	496,406	479,594
NON-CURRENT LIABILITIES					
Deferred tax liability	20	4,559	2,508	–	–
Long-term borrowings	21	459,783	165,943	–	4,179
Derivative liability	12	–	2,508	–	–
Payables	24	260	260	214	214
		464,602	171,219	214	4,393
CURRENT LIABILITIES					
Payables	24	41,241	42,438	2,721	3,146
Amount owing to subsidiaries	8	–	–	191,288	177,394
Short-term borrowings	25	114,140	84,750	20,000	57,065
Provision for taxation		382	499	–	–
		155,763	127,687	214,009	237,605
TOTAL LIABILITIES		620,365	298,906	214,223	241,998
TOTAL EQUITY AND LIABILITIES		1,182,297	757,881	710,629	721,592
NET ASSETS PER ORDINARY SHARE (RM)	27	0.77	0.93		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
REVENUE	28	274,648	259,540	8,114	675
COST OF SALES		(182,516)	(197,913)	–	–
GROSS PROFIT		92,132	61,627	8,114	675
OTHER INCOME		32,712	15,245	2,273	78,862
		124,844	76,872	10,387	79,537
SELLING AND DISTRIBUTION COSTS		(4,072)	(3,472)	–	–
ADMINISTRATIVE EXPENSES		(29,597)	(23,530)	(13,269)	(11,818)
OTHER EXPENSES		(7,166)	(38,634)	(2,582)	(34,002)
FINANCE COSTS		(18,620)	(17,890)	(2,971)	(7,745)
SHARE OF RESULTS IN AN ASSOCIATE		–	4,373	–	–
PROFIT/(LOSS) BEFORE TAXATION	29	65,389	(2,281)	(8,435)	25,972
INCOME TAX EXPENSE	30	(3,411)	(1,154)	–	(3)
PROFIT/(LOSS) AFTER TAXATION		61,978	(3,435)	(8,435)	25,969
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
Items that may be reclassified subsequently to profit or loss:-					
Foreign currency translation differences		15,743	(8,629)	–	–
Cash flow hedge		481	1,111	–	–
Premium paid on acquisition of non-controlling interests		(492)	–	–	–
Deemed disposal of non-controlling interests in a subsidiary		–	(265)	–	–
		15,732	(7,783)	–	–
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		77,710	(11,218)	(8,435)	25,969
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		61,660	(3,669)	(8,435)	25,969
Non-controlling interests		318	234	–	–
		61,978	(3,435)	(8,435)	25,969
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		77,721	(11,199)	(8,435)	25,969
Non-controlling interests		(11)	(19)	–	–
		77,710	(11,218)	(8,435)	25,969
EARNINGS/(LOSS) PER SHARE					
– basic (sen)	31	8.65	(0.52)		
– diluted (sen)	31	8.24	Not applicable		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Non-Distributable							Distributable			
	Share Capital RM'000	Share Premium RM'000	Share Application Monies RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group											
Balance at 1 January 2012	247,566	92,130	–	11,048	(56,438)	(1,913)	2,127	175,891	470,411	(218)	470,193
Loss after taxation for the financial year	–	–	–	–	–	–	–	(3,669)	(3,669)	234	(3,435)
Other comprehensive (expenses)/ income for the financial year:											
– Foreign currency translation differences	–	–	–	–	(8,641)	–	–	–	(8,641)	12	(8,629)
– Cash flow hedge	–	–	–	–	–	1,111	–	–	1,111	–	1,111
– Deemed disposal of non-controlling interests in a subsidiary	–	–	–	–	–	–	–	–	–	(265)	(265)
Total comprehensive expenses for the financial year	–	–	–	–	(8,641)	1,111	–	(3,669)	(11,199)	(19)	(11,218)
Balance at 31 December 2012/ 1 January 2013	247,566	92,130	–	11,048	(65,079)	(802)	2,127	172,222	459,212	(237)	458,975
Profit after taxation for the financial year	–	–	–	–	–	–	–	61,660	61,660	318	61,978
Other comprehensive income/ (expenses) for the financial year:											
– Foreign currency translation differences	–	–	–	–	16,072	–	–	–	16,072	(329)	15,743
– Cash flow hedge	–	–	–	–	–	481	–	–	481	–	481
– Premium paid on acquisition of non-controlling interests	–	–	–	–	–	–	(492)	–	(492)	–	(492)
Total comprehensive income for the financial year	–	–	–	–	16,072	481	(492)	61,660	77,721	(11)	77,710
Contributions by and distributions to owners of the Company:											
– Warrant exercise	12,157	16,534	–	(4,376)	–	–	–	–	24,315	–	24,315
– Share issuance expenses	–	(214)	–	–	–	–	–	–	(214)	–	(214)
– Share application	–	–	1,146	–	–	–	–	–	1,146	–	1,146
– Bonus issue	103,888	(103,888)	–	–	–	–	–	–	–	–	–
Total transactions with owners	116,045	(87,568)	1,146	(4,376)	–	–	–	–	25,247	–	25,247
Balance at 31 December 2013	363,611	4,562	1,146	6,672	(49,007)	(321)	1,635	233,882	562,180	(248)	561,932

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Non-Distributable				Distributable	
	Share Capital RM'000	Share Premium RM'000	Share Application Monies RM'000	Warrant Reserve RM'000	Retained Profits RM'000	Total RM'000
The Company						
Balance at 1 January 2012	247,566	92,130	–	11,048	102,881	453,625
Profit after taxation for the financial year/ Total comprehensive income for the financial year	–	–	–	–	25,969	25,969
Balance at 31 December 2012/ 1 January 2013	247,566	92,130	–	11,048	128,850	479,594
Contributions by and distributions to owners of the Company:						
– Warrant exercise	12,157	16,534	–	(4,376)	–	24,315
– Share issuance expenses	–	(214)	–	–	–	(214)
– Share application	–	–	1,146	–	–	1,146
– Bonus issue	103,888	(103,888)	–	–	–	–
Loss after taxation for the financial year/ Total comprehensive expenses for the financial year	–	–	–	–	(8,435)	(8,435)
Balance at 31 December 2013	363,611	4,562	1,146	6,672	120,415	496,406

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		The Group		The Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		65,389	(2,281)	(8,435)	25,972
Adjustments for:-					
Allowance for impairment loss on investments in subsidiaries		–	–	–	33,580
Allowance for impairment losses on receivables		104	–	–	–
Bad debts written off		–	–	96	–
Depreciation of property, plant and equipment		30,638	25,278	203	369
Impairment loss on non-current assets classified as held for sale		–	27,716	–	–
Inventories written off		1	-	–	–
Interest expense		15,023	16,694	2,832	7,297
Other investment written off		100	–	–	–
Property, plant and equipment written off		102	29	–	–
Remeasurement of refundable deposits		–	981	–	–
Unrealised (gain)/loss on foreign exchange		(5,963)	2,692	(1,483)	36
Accretion of refundable deposits		(10,059)	(4,976)	–	–
Dividend received from an associate		–	–	–	(289)
(Gain)/Loss on disposal of property, plant and equipment		(1)	2,302	(38)	(8)
Gain on disposal of investment in an associate		–	(379)	–	(75,325)
Gain on disposal of non-current assets classified as held for sale		–	(200)	–	–
Interest income		(1,043)	(936)	(740)	(580)
Surplus on liquidation of subsidiaries		–	(242)	–	(149)
Share of results in an associate		–	(4,373)	–	–
Operating profit/(loss) before working capital changes		94,291	62,305	(7,565)	(9,097)
Decrease in inventories		2,642	104	–	–
Decrease/(Increase) in receivables		48,716	(7,450)	1,731	(52)
Decrease in payables		(14,548)	(18,493)	(425)	(2,835)
Increase in amount owing by a related party		(19,953)	–	–	–
Increase in amount owing by subsidiaries		–	–	(7,802)	–
CASH FROM/(FOR) OPERATIONS		111,148	36,466	(14,061)	(11,984)
Interest paid		(15,023)	(16,694)	(2,832)	(7,297)
Tax (paid)/refund		(1,619)	(1,182)	22	(135)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		94,506	18,590	(16,871)	(19,416)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividend received from an associate		–	–	–	289
Interest received		1,043	936	740	580
Net cash outflow for acquisition of a subsidiary		(975)	–	(1,195)	–
Proceeds from disposal of property, plant and equipment		7,226	621	181	8
Proceeds from liquidation of investment in a subsidiary		–	319	–	319
Proceeds from disposal of an associate		–	94,559	–	94,559
Proceeds from disposal of non-current asset classified as held for sale		6,707	5,314	–	–
Purchase of property, plant and equipment	32	(487,864)	(115,132)	(235)	(79)
Refundable deposits refunded		70,153	–	–	–
Repayment from/(Advances to) subsidiaries		–	–	16,073	(131,937)
Withdrawal of fixed deposits		2,983	23,177	2,982	23,177
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(400,727)	9,794	18,546	(13,084)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Proceeds from issuance of shares through warrant exercise		24,315	–	24,315	–
Proceeds from share application monies		1,146	–	1,146	–
Share issuance expenses		(214)	–	(214)	–
Proceeds from share issuance to minority interest in a subsidiary		180	–	–	–
Security deposits paid		–	(11,856)	–	–
Drawdown of bank borrowings		389,578	111,430	10,000	55,000
Repayment of bank borrowings		(83,445)	(130,917)	(51,000)	(108,779)
Repayment of hire purchase obligations		(287)	(81)	(244)	(61)
Advances from subsidiaries		–	–	19,969	95,944
NET CASH FROM/(FOR) FINANCING ACTIVITIES		331,273	(31,424)	3,972	42,104
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		25,052	(3,040)	5,647	9,604
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(1,861)	23	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		37,254	40,271	27,104	17,500
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33	60,445	37,254	32,751	27,104

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office which is also the principal place of business is at No. 6-8, Jalan Seri Utara 1, Seri Utara, Batu 7, Jalan Ipoh, 68100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 10 April 2014.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company and is also engaged in the provision of administrative and management services to its subsidiaries. The principal activities of the subsidiaries are described in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

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

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

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

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

Annual Improvements to MFRSs 2009 – 2011 Cycle

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. BASIS OF PREPARATION (CONT'D)

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):- (Cont'd)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

(a) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control.

(b) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

(c) The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

(d) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

(e) The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments have no material impact on the financial statements of the Group upon their initial application.

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments	To be announced by MASB
MFRS 9 (2010) Financial Instruments	To be announced by MASB
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. BASIS OF PREPARATION (CONT'D)

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(a) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.

(b) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.

(c) The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(d) The amendments to MFRS 139 allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated (i.e. parties have agreed to replace their original counterparty with a new one) to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(e) Operating Leases

The Group entered into several conditional Sale and Leaseback Agreements for the sales of the subsidiaries' vessels with third parties. Subsequently, these vessels were leased back by other subsidiaries from the third parties for a lease period of 10 years commencing from the date of delivery of vessels or financing obtained, with the option to buy back the vessels at the end of the primary lease term period. The directors are of the opinion that the lease arrangements should be treated as an operating lease as presently the management has no intention to buy back the vessels at the end of the primary lease term and the lease term does not constitute the major part of the economic life of the vessels.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to Ringgit Malaysia at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment losses, if any.

(b) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Preference Shares

Preference shares are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary. Dividends on preference shares are recognised as distributions within equity.

Preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Warrants

Proceeds, net of issue costs, from the issuance of warrants are allocated in accordance with FRSIC Consensus 9 - Accounting for Rights Issue with Free Warrants are credited to the warrant reserve which is non-distributable. The warrant reserve is transferred to the share premium account upon the exercise of the warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Hedge Activities

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including cross currency swap and interest rate swap.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

(i) Hedge Accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(f) Hedge Activities (Cont'd)

(ii) Fair Value Hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued prospectively when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(iii) Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged item affects profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is transferred from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Hedge accounting is discontinued prospectively when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iv) Hedges Of Net Instruments In Foreign Operations

Hedges of net instruments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on the disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investment in a subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation or amortisation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Vessels	4%
Vessel equipment	4% – 10%
Dry docking	20%
Leasehold buildings	2%
Plant and machinery	10%
Cabin, field and workshop equipment	10% – 20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% – 20%
Others	10% – 50%

Capital work-in-progress is not depreciated.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

Dry docking costs are in respect of the cost of major repairs and modifications incurred on the vessels which enhance the useful lives of the vessels.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 OPERATING LEASES

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases (net of any incentives received from the lessor, if any) are recognised in profit or loss on the straight-line method over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.13 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 INCOME TAXES (CONT'D)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.16 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.18 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.20 REVENUE AND OTHER INCOME

(a) Chartered Vessel Income

Chartered vessel income is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(b) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(c) Management Fee Income

Management fee income is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(d) Rental Income

Rental income is recognised on an accrual basis.

(e) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment. Interest income on late payment is recognised on a receipt basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

4.22 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost:		
– in Malaysia	259,595	285,574
– outside Malaysia	21,176	21,176
	280,771	306,750
Accumulated impairment losses:		
At 1 January	(81,890)	(48,861)
Addition during the financial year	–	(33,580)
Reversal during the financial year	–	551
At 31 December	(81,890)	(81,890)
	198,881	224,860

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of incorporation	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Intra Oil Services Berhad	Malaysia	100	100	Provision of marine support services for the oil and gas industry.
Ampangship Marine Sdn. Bhd.	Malaysia	100	100	Provision of marine support services for the oil and gas industry.
Perdana Marine Offshore Pte. Ltd. *	The Republic of Singapore	100	100	Provision of marine support services for the oil and gas industry.
Petra Offshore Limited	Federal Territory of Labuan	100	100	Provision of leasing business activities in Labuan.
Perdana Mercury Limited	The Republic of the Marshall Islands	100	100	Provision of marine support services for the oil and gas industry.
Perdana Venus Limited	The Republic of the Marshall Islands	100	100	Provision of marine support services for the oil and gas industry.
Perdana Jupiter Limited	Federal Territory of Labuan	100	100	Provision of leasing business activities in Labuan.
Perdana Neptune Limited	Federal Territory of Labuan	100	100	Provision of leasing business activities in Labuan.
Perdana Pluto Limited	Federal Territory of Labuan	100 **	100 **	Provision of leasing business activities in Labuan.
Perdana Saturn Limited	Federal Territory of Labuan	100	100	Provision of leasing business activities in Labuan.
Perdana Earth Ltd	Federal Territory of Labuan	100	–	Provision of leasing business activities in Labuan.
Odin Explorer Navigation Limited	The British Virgin Islands	100	100	Dormant.
Geoseas Technologies Limited	The British Virgin Islands	51	51	Dormant.
Petra Teknik Sdn. Bhd. ^	Malaysia	100	100	Dormant.
Petra Asia Limited ^	Federal Territory of Labuan	100	100	Dormant.
Perdana Nautika Sdn. Bhd.	Malaysia	100	55	Provision of marine support services for the oil and gas industry.

* *Not audited by Messrs. Crowe Horwath.*

** *Interests held through Perdana Marine Offshore Pte. Ltd.*

^ *In the process of winding up.*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

On 18 January 2013, the Company redeemed 8,270,949 of its preference shares in Petra Offshore Limited ("POL") at a redemption sum of USD8,270,949 or approximately RM27,174,000 by way of set-off against the amount due and payable by POL to the Company.

On 22 November 2013, the Group increased its shareholdings in Perdana Nautika Sdn. Bhd. from 55% to 100% via the acquisition of 225,000 ordinary shares of RM1.00 each for a total cash consideration of RM975,000.

The deficits in non-controlling interests balance at the end of the reporting period comprise the following:-

	The Group	
	2013 RM'000	2012 RM'000
Perdana Nautika Sdn. Bhd.	–	68
Geoseas Technologies Limited	248	169
	248	237

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests is not presented as the non-controlling interests are not material to the Group.

6. OTHER INVESTMENTS

	The Group	
	2013 RM'000	2012 RM'000
Unquoted shares in Malaysia	150	250
Represented by:-		
At cost	150	250

Details of the investments, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Osam Marine Sdn. Bhd.	^	^	Dormant.
Asiaway Sdn. Bhd.	#	^	Dormant.
Malawi Marine Sdn. Bhd. *	^	^	Dormant.
Kovan Marine Sdn. Bhd. *	^	^	Dormant.

* *Interest held by Osam Marine Sdn. Bhd.*

^ *In the process of winding up.*

Asiaway Sdn. Bhd. was liquidated during the financial year and the carrying amount has been charged to profit and loss.

Investments in unquoted shares of the Group are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2013 RM'000	Additions RM'000	Disposals RM'000	Cancellation RM'000	Written Off RM'000	Transfers RM'000	Currency Translation Differences RM'000	Depreciation Charge RM'000	At 31.12.2013 RM'000
The Group									
Net Book Value									
Vessels	414,070	336,342	–	–	–	139,793	30,737	(24,813)	896,129
Vessel equipment	17,203	–	(6,835)	–	(100)	(4,416)	522	(1,606)	4,768
Dry docking	3,344	16,783	–	–	–	–	613	(3,302)	17,438
Leasehold buildings	1,590	–	–	–	–	–	–	(37)	1,553
Cabin, field and workshop equipment	28	–	–	–	–	–	–	(5)	23
Motor vehicles	242	691	(143)	–	–	–	–	(128)	662
Office equipment, furniture and fittings	1,368	929	(17)	(447)	–	–	2	(524)	1,311
Capital work-in-progress	36,139	132,867	–	–	–	(135,377)	5,178	–	38,807
Others	321	754	–	–	(2)	–	15	(223)	865
	474,305	488,366	(6,995)	(447)	(102)	–	37,067	(30,638)	961,556

	At 1.1.2012 RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Transfers RM'000	Currency Translation Differences RM'000	Reclassified As Assets Held For Sale (Note 17) RM'000	Depreciation Charge RM'000	At 31.12.2012 RM'000
The Group									
Net Book Value									
Vessels	369,543	11,935	(2,699)	–	94,363	(7,839)	(31,273)	(19,960)	414,070
Vessel equipment	20,189	321	–	–	–	(648)	–	(2,659)	17,203
Dry docking	2,511	2,305	–	–	–	(86)	–	(1,386)	3,344
Leasehold buildings	1,628	–	–	–	–	–	–	(38)	1,590
Cabin, field and workshop equipment	70	–	–	(29)	–	(1)	–	(12)	28
Motor vehicles	354	–	–	–	–	1	–	(113)	242
Office equipment, furniture and fittings	1,900	243	–	–	–	2	–	(777)	1,368
Capital work-in-progress	31,330	100,227	–	–	(94,363)	(1,055)	–	–	36,139
Others	550	101	–	–	–	3	–	(333)	321
	428,075	115,132	(2,699)	(29)	–	(9,623)	(31,273)	(25,278)	474,305

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
2013			
Vessels	977,382	(81,253)	896,129
Vessel equipment	9,209	(4,441)	4,768
Dry docking	24,291	(6,853)	17,438
Leasehold buildings	1,860	(307)	1,553
Plant and machinery	10	(10)	–
Cabin, field and workshop equipment	78	(55)	23
Motor vehicles	1,018	(356)	662
Office equipment, furniture and fittings	4,708	(3,397)	1,311
Capital work-in-progress	38,807	–	38,807
Others	4,007	(3,142)	865
	1,061,370	(99,814)	961,556
2012			
Vessels	464,135	(50,065)	414,070
Vessel equipment	25,185	(7,982)	17,203
Dry docking	6,571	(3,227)	3,344
Leasehold buildings	1,860	(270)	1,590
Plant and machinery	10	(10)	–
Cabin, field and workshop equipment	78	(50)	28
Motor vehicles	752	(510)	242
Office equipment, furniture and fittings	4,631	(3,263)	1,368
Capital work-in-progress	36,139	–	36,139
Others	3,449	(3,128)	321
	542,810	(68,505)	474,305

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2013 RM'000	Additions RM'000	Disposal RM'000	Depreciation Charge RM'000	At 31.12.2013 RM'000
The Company					
Net Book Value					
Leasehold buildings	1,590	–	–	(37)	1,553
Motor vehicle	208	–	(143)	(65)	–
Office equipment, furniture and fittings	90	90	–	(40)	140
Others	89	145	–	(61)	173
	1,977	235	(143)	(203)	1,866

	At 1.1.2012 RM'000	Additions RM'000	Disposal RM'000	Depreciation Charge RM'000	At 31.12.2012 RM'000
Net Book Value					
Leasehold buildings	1,628	–	–	(38)	1,590
Motor vehicle	294	–	–	(86)	208
Office equipment, furniture and fittings	111	43	–	(64)	90
Others	234	36	–	(181)	89
	2,267	79	–	(369)	1,977

	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
The Company			
2013			
Leasehold buildings	1,860	(307)	1,553
Office equipment, furniture and fittings	657	(517)	140
Others	1,983	(1,810)	173
	4,500	(2,634)	1,866
2012			
Leasehold buildings	1,860	(270)	1,590
Motor vehicle	430	(222)	208
Office equipment, furniture and fittings	567	(477)	90
Others	1,838	(1,749)	89
	4,695	(2,718)	1,977

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Capital work-in-progress is in respect of vessels under construction and cranes not ready for commercial use at the end of the reporting period.

Included in the net book value of property, plant and equipment at the end of the reporting period are the following assets acquired under hire purchase terms:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Motor vehicles	618	242	–	208
Office equipment, furniture and fittings	72	–	–	–
	690	242	–	208

At the end of the reporting period, the net book value of property, plant and equipment pledged as security by the Group was as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Vessels	896,129	414,071
Dry docking	9,395	2,768
	905,524	416,839

8. AMOUNTS OWING BY/(TO) SUBSIDIARIES

(a) The following table provides information on the amounts owing by subsidiaries prior to their offsetting:-

	Gross Amount RM'000	Amount Offset RM'000	Net Carrying Amount RM'000
The Company			
2013			
Current			
Trade balances			
Amount owing by	1,632	–	1,632
Non-trade balances			
Amount owing by	471,457	–	471,457
	473,089	–	473,089
2012			
Non-current			
Quasi loan			
Amount owing by	218,460	–	218,460
Current			
Non-trade balances			
Amount owing by	241,895	–	241,895

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

8. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONT'D)

(b) The following table provides information on the amounts owing to subsidiaries prior to their offsetting:-

	Gross Amount RM'000	Amount Offset RM'000	Net Carrying Amount RM'000
The Company			
2013			
Current			
Trade balances			
Amount owing by	7,629	(7,629)	–
Non-trade balances			
Amount owing by	10,247	(10,247)	–
Amount owing to	(209,164)	17,876	(191,288)
	(191,288)	–	(191,288)
2012			
Current			
Trade balances			
Amount owing by	1,554	(1,554)	–
Non-trade balances			
Amount owing by	10,496	(10,496)	–
Amount owing to	(189,444)	12,050	(177,394)
	(177,394)	–	(177,394)

(c) The non-current amount owing by subsidiaries fully settled during the financial year.

(d) The trade balances are subject to the normal trade credit terms ranging from 30 to 90 days (2012 – 30 to 90 days). The amounts owing are to be settled in cash.

(e) The non-trade balances represent unsecured interest-free advanced and payments made on behalf. The amount owing are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

9. REFUNDABLE DEPOSITS

		The Group	
	Note	2013 RM'000	2012 RM'000
Non-current			
Refundable deposits – A	(a)	46,271	82,521
Refundable deposits – B	(b)	6,426	25,673
		52,697	108,194

(a) The deposits are placed with vessel owners for the long lease of vessels for period of 10 years.

(b) The deposits are pledged to a licensed bank as security for term loan facilities granted to the Group.

The Group designated its non-current refundable deposits as loans and receivables financial assets, measured at amortised cost using the effective interest method.

10. INTANGIBLE ASSETS

	The Group	
	2013 RM'000	2012 RM'000
Goodwill	27,507	27,507

Goodwill has been allocated for impairment testing to the Group's cash-generating unit ("CGU").

At the end of the reporting period, the Group assessed the recoverable amount of the goodwill and determined that no impairment is required. The recoverable amount of a CGU is determined using the value-in-use approach, and this is derived from the present value of future pre-tax cash flow projections computed based on the projections financial budgets approved by management covering a period of three (3) to twenty-one (21) years. The key assumptions used for the value-in-use calculations are as follows:-

	2013	2012
Gross margin	6% – 64%	10% – 68%
Growth rate	1% – 6%	1% – 10%
Discount rate	11%	10.33%

Management determined the budgeted gross margin based on past performance and its expectations of market development. The growth rate used is based on the past years' achievement and the expected contracts to be secured. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

11. DEFERRED TAX ASSET

	The Group/ The Company	
	2013 RM'000	2012 RM'000
At 1 January/31 December	46	46
The deferred tax asset comprises:-		
Excess of depreciation over capital allowances	46	46

12. DERIVATIVE ASSET/(LIABILITY)

On 18 March 2010, the Group entered into a USD-MYR cross-currency interest rate swap to hedge the cash flow and interest rate risks of its foreign currency floating rate term loan as mentioned in Note 23(a) to the financial statements. The cross-currency interest rate swap has been designated as a cash flow hedge and was assessed to be highly effective.

The cross-currency interest rate swap is used to hedge the Group's exposure to changes in the functional currency equivalent cash flows and interest rate of the foreign currency term loan. This swap entitles the Group to receive USD LIBOR and USD equivalent of the principal whereby the repayments are made in Ringgit Malaysia based on an agreed exchange rate of 3.205. The swap also entitles the Group to receive a floating interest equal to a 3-month USD LIBOR+2.00% per annum and pays a fixed rate of 5.58% per annum every 3 months.

The swap has the same maturity terms as that of the foreign currency term loan.

13. INVENTORIES

	The Group	
	2013 RM'000	2012 RM'000
Consumables, at cost	1,310	3,825

Inventories represent fuel, various oils, spare parts and calling cards. None of the inventories is carried at net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

14. RECEIVABLES

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade receivables	32,066	63,807	–	–
Allowance for impairment losses	(297)	(297)	–	–
Net trade receivables	31,769	63,510	–	–
Other receivables, deposits and prepayments	19,947	27,642	367	616
Allowance for impairment losses	(1,892)	(1,892)	–	–
Net other receivables, deposits and prepayments	18,055	25,750	367	616
	49,824	89,260	367	616

The Group's normal trade credit terms range from 30 to 90 (2012 – 30 to 90) days.

15. AMOUNT OWING BY A RELATED PARTY

The amount owing is trade in nature. The Group's normal trade credit terms ranging from 30 to 60 days.

16. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits pledged to banks for banking facilities granted to the Group and the Company are as follows:-

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Fixed deposits pledged as security (Note 33)	581	3,564	581	3,564

The effective interest rates of the fixed deposits at the end of the reporting period were as follows:-

	The Group		The Company	
	2013	2012	2013	2012
	% per annum	% per annum	% per annum	% per annum
Fixed deposits with licensed banks	0.05 to 3.10	0.35 to 3.10	2.20 to 3.10	2.20 to 3.10

The fixed deposits have maturity periods ranging from 1 day to 184 days (2012 - 2 days to 180 days).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2013 RM'000	2012 RM'000
At gross carrying amount:-		
Vessels	14,798	38,725
Dry docking	–	3,951
	14,798	42,676
Impairment loss		
At 1 January	(32,268)	(4,552)
Addition	–	(27,716)
Disposal	24,036	–
At 31 December	(8,232)	(32,268)
Translation differences	(1,990)	158
Net carrying amount	4,576	10,566

During the financial year, the Group disposed of 4 vessels with carrying amount of RM26,540,054 which had been classified as non-current assets held for sale.

18. SHARE CAPITAL

	The Company			
	2013 Number Of Shares ('000)	2012 Number Of Shares ('000)	2013 RM'000	2012 RM'000
Ordinary Shares Of RM0.50 Each:-				
Authorised	1,000,000	1,000,000	500,000	500,000
Issued And Fully Paid-Up				
At 1 January	495,132	495,132	247,566	247,566
Bonus issue	207,775	–	103,888	–
Warrant exercise	24,315	–	12,157	–
At 31 December	727,222	495,132	363,611	247,566

In the current financial year, the Company increased its issued and paid-up share capital from RM247,566,000 to RM363,611,458 by:

(a) the issuance of bonus shares of 207,775,515 new ordinary shares of RM0.50 each credited as fully paid-up by way of capitalising the share premium account on the basis of two (2) bonus shares for every five (5) existing ordinary shares held; and

(b) the exercise of 24,312,950 Warrants at an exercise price of RM1.00 each and 2,450 Warrants at an exercise price of RM0.71 each into 24,315,400 new ordinary shares of RM0.50 each.

The ordinary shares issued in the current financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

19. RESERVES

	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Non-distributable:-				
Share premium	4,562	92,130	4,562	92,130
Share application monies	1,146	–	1,146	–
Warrant reserve (Note 19(f))	6,672	11,048	6,672	11,048
Foreign exchange translation reserve	(49,007)	(65,079)	–	–
Cash flow hedge reserve	(321)	(802)	–	–
Other capital reserve	1,635	2,127	–	–
	(35,313)	39,424	12,380	103,178
Distributable:-				
Retained profits	233,882	172,222	120,415	128,850
	198,569	211,646	132,795	232,028

(a) Share Premium

The movements in the share premium of the Group and the Company are as follows:-

	The Group/ The Company 2013 RM'000	The Group/ The Company 2012 RM'000
At 1 January	92,130	92,130
Bonus issue of new ordinary shares	(103,888)	–
Warrant exercise	16,534	–
Share issuance expenses	(214)	–
At 31 December	4,562	92,130

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

(c) Cash Flow Hedge Reserve

This reserve comprises the effective portion of the cumulative gains and losses on the hedging instrument deemed effective in a cash flow hedge.

	The Group 2013 RM'000	The Group 2012 RM'000
At 1 January	(802)	(1,913)
Gain on cash flow hedge	481	1,111
At 31 December	(321)	(802)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

19. RESERVES (CONT'D)

(d) Retained Profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

(e) Other Capital Reserve

This reserve represents the redemption of the redeemable non-cumulative non-voting preference shares by a subsidiary incorporated in the Federal Territory of Labuan.

Following the amendment to the Labuan Companies Act 1990 of not having par value shares and no minimum share capital requirements during the financial year, this reserve has been reclassified to other capital reserve.

(f) Warrant Reserve

On 27 October 2010, the Company issued 61,379,785 free Warrants pursuant to the Company's renounceable rights issue of 122,760,000 new ordinary shares of RM0.50 each with free detachable warrants on the basis of three (3) rights shares for every eight (8) existing ordinary shares of RM0.50 each held in the Company. The Warrants were listed and quoted in the Main Market of Bursa Malaysia Securities Berhad on 1 November 2010.

On 6 December 2013, an additional 14,828,798 Warrants, arising from the adjustments made as a result of the bonus issue, were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The exercise price for the Warrants has been revised from RM1.00 to RM0.71 per Warrants consequential to the bonus issue. The adjustments to the number of outstanding Warrants and the exercise price for the Warrants are in accordance with the provision of the Deed Poll.

The salient terms of the Warrants 2010/2015 are as follows:-

(a) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 each in the Company at any time on or before the maturity date, 26 October 2015, falling five (5) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid; and

(b) The new ordinary shares to be issued upon the exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company.

Pursuant to FRSIC Consensus 9 - Accounting for Rights Issue with Free Warrants, the proceeds from the Rights Issues (net of issue costs) have been allocated between the new ordinary shares issued and the Warrants based on their fair values at the date of issue.

The movements of the Warrants during the financial year are as follows:-

	Entitlement For Ordinary Shares Of RM0.50 Each			
	At 1.1.2013	**Adjustments arising from bonus issue**	**Exercised**	**At 31.12.2013**
Number of unexercised Warrants	61,379,785	14,828,798	(24,315,400)	51,893,183

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

20. DEFERRED TAX LIABILITY

	The Group	
	2013	2012
	RM'000	RM'000
At 1 January	2,508	2,507
Translation differences	2	1
Recognised in profit or loss (Note 30)	2,049	–
At 31 December	4,559	2,508

The deferred tax liability is attributable to the following:-

	The Group	
	2013	2012
	RM'000	RM'000
Accelerated capital allowances over depreciation	4,559	2,508

21. LONG-TERM BORROWINGS

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables (Note 22)	361	179	–	179
Term loans (Note 23)	459,422	165,764	–	4,000
	459,783	165,943	–	4,179

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

22. HIRE PURCHASE PAYABLES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Minimum hire purchase payments:				
– not later than one year	144	105	–	76
– later than one year and not later than five years	393	192	–	192
	537	297	–	268
Less: Future finance charges	(53)	(28)	–	(24)
Present value of hire purchase payables	484	269	–	244

The net hire purchase payables are repayable as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current				
– Not later than one year (Note 25)	123	90	–	65
Non-current				
– Later than one year and not later than five years (Note 21)	361	179	–	179
	484	269	–	244

23. TERM LOANS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current				
– Not later than one year (Note 25)	94,017	74,660	–	47,000
Non-current				
– Later than one year and not later than two years	98,378	39,077	–	4,000
– Later than two years and not later than five years	328,993	112,724	–	–
– Later than five years	32,051	13,963	–	–
Total non-current portion (Note 21)	459,422	165,764	–	4,000
	553,439	240,424	–	51,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

23. TERM LOANS (CONT'D)

(a) Commodity Murabahah Term Financing-i

On 18 March 2010, a subsidiary accepted a Commodity Murabahah Term Financing facility denominated in United States Dollar (USD) with a nominal value of USD14,480,000 (equivalent to RM46,408,400).

This foreign currency term loan is being hedged by a cross-currency interest rate swap as disclosed in Note 12 to the financial statements and is repayable by eighteen (18) quarterly instalments ranging from RM961,500 to RM10,191,900 commencing January 2011.

The foreign currency term loan is secured by a corporate guarantee provided by the Company.

(b) Term Loans

The term loans are secured by:

(i) fixed charges over certain vessels of the Group;

(ii) fixed charge over the shares of a subsidiary;

(iii) fixed charge over Escrow Account;

(iv) corporate guarantees by the Company;

(v) assignment and charges over Memorandum of Agreement, insurance proceeds and revenue of certain vessels of the Group; and

(vi) security deposits placed in the Retention Account.

24. PAYABLES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables	14,088	23,261	–	–
Other payables and accruals:				
– other payables	2,817	10,986	1,091	2,371
– accruals	24,596	8,451	1,844	989
	27,413	19,437	2,935	3,360
	41,501	42,698	2,935	3,360
The payables are repayable as follows:				
– non-current	260	260	214	214
– current	41,241	42,438	2,721	3,146
	41,501	42,698	2,935	3,360

The normal trade credit terms granted to the Group range from 30 to 90 (2012 – 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

25. SHORT-TERM BORROWINGS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Hire purchase payables (Note 22)	123	90	–	65
Term loans (Note 23)	94,017	74,660	–	47,000
Revolving credit	20,000	10,000	20,000	10,000
	114,140	84,750	20,000	57,065

26. BORROWING RATES

The borrowings as disclosed in Note 22, 23 and 25 bear effective interest rates ranging from 1.78% to 10.91% (2012 - 4.14% to 8.56%) per annum.

27. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of RM562,180,000 (2012 - RM459,212,000) divided by the number of ordinary shares in issue at the end of the reporting period of 727,222,000 (2012 - 495,132,000) shares.

28. REVENUE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Chartered vessel income	274,648	259,540	–	–
Dividend income	–	–	–	289
Management fees	–	–	7,758	–
Rental income	–	–	356	386
	274,648	259,540	8,114	675

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

29. PROFIT/(LOSS) BEFORE TAXATION

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):–					
Audit fee:					
– current financial year		214	202	50	32
– underprovision in the previous financial year		–	19	–	–
– non-statutory audit fee		16	3	9	3
Allowance for impairment losses on receivables		104	–	–	–
Allowance for impairment loss on investments in subsidiaries		–	–	–	33,580
Bad debts written off		–	–	96	–
Depreciation of property, plant and equipment	7	30,638	25,278	203	369
Directors' remuneration:					
– fees	34	408	219	408	219
– other emoluments	34	6,909	4,563	3,833	2,244
– benefits-in-kind	34	400	369	328	253
Hire of equipment		179	50	–	–
Impairment loss on non-current assets classified as held for sale		–	27,716	–	–
Interest expense:					
– bond and MTN		–	5,557	–	5,557
– hire purchase		16	19	10	16
– term loans		14,333	10,478	2,148	1,084
– revolving credit		674	640	674	640
Inventories written off		1	–	–	–
Lease rental of vessels		55,210	75,329	–	–
Other investment written off		100	–	–	–
Remeasurement of refundable deposits		–	981	–	–
Property, plant and equipment written off	7	102	29	–	–
Rental of office		1,041	821	288	334
Rental of premises		70	–	–	–
Staff costs:					
– salaries and other benefits		47,954	31,720	4,702	3,963
– defined contribution plan		1,525	1,353	479	490
(Gain)/Loss on foreign exchange:					
– realised		(6,013)	(77)	2,283	17
– unrealised		(5,963)	2,692	(1,483)	36
Accretion of refundable deposits		(10,059)	(4,976)	–	–
Dividend income from an associate		–	–	–	(289)
(Gain)/Loss on disposal of property, plant and equipment		(1)	2,302	(38)	(8)
Gain on disposal of investment in an associate		–	(379)	–	(75,325)
Gain on disposal of non-current asset classified as held for sale		–	(200)	–	–
Interest income from fixed deposits		(1,043)	(936)	(740)	(580)
Surplus on liquidation of subsidiaries		–	(242)	–	(149)
Rental income from subsidiaries		–	–	(356)	(386)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

30. INCOME TAX EXPENSE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense:				
– Malaysian tax	630	212	–	–
– Foreign tax	914	363	–	–
Withholding tax	3	547	–	–
	1,547	1,122	–	–
– (over)/underprovision in the previous financial year	(185)	32	–	3
	1,362	1,154	–	3
Deferred taxation (Note 20):				
– relating to origination and recognition of temporary differences	361	–	–	–
– underprovision in the previous financial year	1,688	–	–	–
	2,049	–	–	–
	3,411	1,154	–	3

A reconciliation of the income tax expense applicable to the profit/(loss) before taxation at the statutory tax rates to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(Loss) before taxation	65,389	(2,281)	(8,435)	25,972
Tax at the statutory tax rates of 25% (2012 – 25%)	16,347	(570)	(2,109)	6,493
Tax effects of:-				
Non-taxable gains	(60,214)	(44,477)	(371)	(18,869)
Non-deductible expenses	46,289	49,562	2,480	12,376
Utilisation of previously unrecognised deferred tax assets	(444)	(3,700)	–	–
Deferred tax assets not recognised during the year	6	–	–	–
(Over)/Underprovision of current tax in the previous financial year	(185)	32	–	3
Underprovision of deferred tax in the previous financial year	1,688	–	–	–
Withholding tax	3	547	–	–
Differential in tax rates	(79)	(240)	–	–
Tax for the financial year	3,411	1,154	–	3

No deferred tax assets are recognised on the following items:

	The Group	
	2013 RM'000	2012 RM'000
Unutilised tax losses	4,061	4,061
Unabsorbed capital allowances	4,726	7,928
Provisions	2,494	2,170
Other deductible temporary differences	1,099	–
	12,380	14,159

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

31. EARNINGS/(LOSS) PER SHARE

	The Group	
	2013 RM'000	2012 RM'000
Profit/(Loss) after taxation attributable to owners of the Company (RM)	61,660	(3,669)
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 January	495,132	495,132
Effect of bonus issue	207,775	207,775
Effect of warrant exercise	10,220	–
Weighted average number of ordinary shares at 31 December	713,127	702,907
Basic earnings/(loss) per share (Sen)	8.65	(0.52)

	The Group 2013 RM'000
Profit after taxation attributable to owners of the Company for diluted earnings per share computation (RM)	61,660
Weighted average number of ordinary shares for basic earnings per share	713,127
Effects of dilution :	
– Warrant exercise in exchange of new ordinary shares	35,076
Weighted average number of ordinary share for diluted earnings per share computation	748,203
Diluted earnings per ordinary share (Sen)	8.24

Diluted loss per share was not presented for the previous financial year as the effect arising from the assumed conversion of the Warrants is anti-dilutive.

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property, plant and equipment purchased	488,366	115,132	235	79
Less: Amount financed through hire purchase	(502)	–	–	–
Cash disbursed for the purchase of property, plant and equipment	487,864	115,132	235	79

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

33. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed deposits with licensed banks	26,098	21,631	13,200	19,364
Cash and bank balances	34,928	19,187	20,132	11,304
	61,026	40,818	33,332	30,668
Less: Fixed deposits pledged as security (Note 16)	(581)	(3,564)	(581)	(3,564)
	60,445	37,254	32,751	27,104

34. DIRECTORS' REMUNERATION

The aggregate amount of remuneration received and receivable from the Group by directors of the Company during the financial year are as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive Directors:				
– non-fee emoluments	6,835	4,521	3,759	2,202
– overprovision of fee in the previous financial year	(10)	–	(10)	–
	6,825	4,521	3,749	2,202
Non-Executive Directors:				
– fee	418	219	418	219
– non-fee emoluments	74	42	74	42
	492	261	492	261
Total directors' remuneration	7,317	4,782	4,241	2,463
Estimated money value of benefits-in-kind	400	369	328	253
Total directors' remuneration, including benefits-in-kind	7,717	5,151	4,569	2,716

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

34. DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Company whose total remuneration received/receivable from the Group during the financial year fell within the following bands are as follows:-

	Number Of Directors The Group	
	2013	2012
Executive Directors		
RM200,001 – RM250,000	–	1
RM750,001 – RM800,000	–	1
RM1,000,001 – RM1,050,000	1	1
RM1,100,001 – RM1,150,000	–	1
RM1,150,001 – RM1,200,000	1	–
RM1,300,001 – RM1,350,000	1	–
RM1,450,001 – RM1,500,000	1	–
RM1,750,001 – RM1,800,000	–	1
RM2,250,001 – RM2,300,000	1	–
	5	5
Non-Executive Directors		
Below RM50,000	–	3
RM50,001 – RM100,000	7	4
	7	7
	12	12

35. RELATED PARTY DISCLOSURES

The Group has related party relationships with:-

(a) Its subsidiaries as disclosed in Note 5 to the financial statements;

(b) Entities in which certain directors have financial interests; and

(c) Key management personnel of the Group.

(d) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Subsidiaries:				
– handling fee paid/payable	–	–	–	42
– management fee paid/payable	–	–	7,758	–
– rental income	–	–	356	386
Related party:				
– charter income	54,649	–	–	–
Key management personnel compensation:				
– short-term employee benefits	7,717	5,151	4,569	2,716

The details of the outstanding amounts with the subsidiaries is disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

36. CAPITAL COMMITMENT

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for				
Purchase of property, plant and equipment	155,217	144,550	–	–

37. CONTINGENT LIABILITIES

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Corporate guarantee given to licensed banks and financial institutions for credit facilities granted to a third party	–	9,307	–	9,307
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	–	–	553,439	189,424
Bank guarantee granted to third parties for benefit of subsidiaries	12,778	3,988	12,778	3,988
Performance guarantee extended by a subsidiary to a third party	–	5	–	–
	12,778	13,300	566,217	202,719

38. LEASE COMMITMENTS

The lease rentals payable are in respect of lease agreements entered into by subsidiaries for lease of vessels for a period of 10 years and for the office and warehouse.

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2013	2012
	RM'000	RM'000
Lease rentals payable:		
- within one year	40,123	61,217
- within two to five years	137,202	214,118
- within six to ten years	12,249	46,504
	189,574	321,839

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

39. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of material foreign currency balances at the end of the reporting period are as follows:-

	The Group/ The Company	
	2013 RM	2012 RM
Australian Dollar	2.9315	3.1855
Singapore Dollar	2.5953	2.5043
United States Dollar	3.2885	3.0625

40. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into two (2) main business segments as follows:-

(i) Marine offshore support services segment – provision of vessels for the upstream oil and gas industry, ranging from towing, mooring and anchoring of non-self propelled marine vessels; transportation of drilling equipment, production chemicals and project materials to engineering and workshop facilities onboard.

(ii) Investment holding segment – provide group-level corporate services and treasury functions and investments in equities.

The Group Executive Committee assesses the performance of the operating segments based on operating results which are measured differently from those disclosed in the consolidated financial statements.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated item comprises mainly investment in associate.

Transfer prices between operating segments are at terms mutually agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

40. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	Marine Offshore Support Services RM'000	Investment Holding And Others RM'000	Elimination RM'000	Group RM'000
2013				
Revenue				
External revenue	274,648	–	–	274,648
Inter-segment revenue	350,942	8,114	(359,056)	–
	625,590	8,114	(359,056)	274,648
Results				
Segment results	105,598	(5,401)	(16,188)	84,009
Finance costs	(15,861)	(2,971)	212	(18,620)
	89,737	(8,372)	(15,976)	65,389
Share of results in an associate				–
Income tax expense				(3,411)
Consolidated profit after taxation				61,978
Assets				
Segment assets	919,278	516,266	(256,524)	1,179,020
Deferred tax asset				46
Tax recoverable				3,231
Consolidated total assets				1,182,297
Liabilities				
Segment liabilities	664,347	22,953	(71,876)	615,424
Deferred taxation				4,559
Provision for taxation				382
Consolidated total liabilities				620,365
Other segment items				
Additions to non-current assets other than financial instruments:				
– property, plant and equipment	487,629	235	–	487,864

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

40. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Marine Offshore Support Services RM'000	Investment Holding And Others RM'000	Elimination RM'000	Group RM'000
2012				
Revenue				
External revenue	259,540	–	–	259,540
Inter-segment revenue	225,511	675	(226,186)	–
	485,051	675	(226,186)	259,540
Results				
Segment results	10,865	33,696	(33,325)	11,236
Finance costs	(10,145)	(7,745)	–	(17,890)
	720	25,951	(33,325)	(6,654)
Share of results in an associate				4,373
Income tax expense				(1,154)
Consolidated loss after taxation				(3,435)
Assets				
Segment assets	591,954	541,087	(378,316)	754,725
Deferred tax asset				46
Tax recoverable				3,110
Consolidated total assets				757,881
Liabilities				
Segment liabilities	403,706	64,669	(172,476)	295,899
Deferred taxation				2,508
Provision for taxation				499
Consolidated total liabilities				298,906
Other segment items				
Additions to non-current assets other than financial instruments:				
– property, plant and equipment	115,053	79	–	115,132

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

40. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

The following items are added to/(deducted from) segment profit to arrive at the consolidated profit/(loss) after taxation:-

	The Group	
	2013 RM'000	2012 RM'000
Accretion of refundable deposits	10,059	4,976
Depreciation of property, plant and equipment	(30,638)	(25,278)
Gain/(Loss) on disposal of property, plant and equipment	1	(2,302)
Gain on disposal of non-current asset classified as held for sale	–	200
Impairment loss on non-current asset classified as held for sale	–	(27,716)
Interest income from fixed deposits	1,043	936
Remeasurement of refundable deposits	–	(981)

GEOGRAPHICAL SEGMENTS

	The Group Revenue		The Group Non-Current Assets	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	231,770	204,974	1,041,036	556,964
Singapore	42,878	49,761	1,341	223
Marshall Islands	–	4,805	–	53,115
	274,648	259,540	1,042,377	610,302

MAJOR CUSTOMERS

Revenue from five (5) major customers, with revenue equal to or more than 10% of Group revenue, amounted to RM236,008,000 (2012 - RM59,290,000) arose from marine offshore support services segment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

41.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising mainly from normal trading transactions that are denominated in foreign currencies. It manages its foreign exchange exposure by a policy of matching as far as possible receipts and payments in each individual currency. The Group's foreign currency transactions and balances are substantially denominated in United States Dollar (USD). Foreign currency risk is managed to an acceptable level.

On occasion, the Group enters into a variety of derivative financial instruments to manage its exposure to the foreign currency risk.

	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group					
2013					
Financial Assets					
Other investments	–	–	–	150	150
Refundable deposits	52,697	–	–	–	52,697
Derivative asset	–	–	–	421	421
Trade and other receivables	7,883	2,763	69	26,220	36,935
Amount owing by a related party	–	–	–	19,953	19,953
Fixed deposits with licensed banks	2,798	–	–	23,300	26,098
Cash and bank balances	24,626	2,138	10	8,154	34,928
	88,004	4,901	79	78,198	171,182
Financial Liabilities					
Payables	8,999	4,619	97	27,786	41,501
Borrowings	553,440	41	–	20,442	573,923
	562,439	4,660	97	48,228	615,424
Net financial (liabilities)/assets	(474,435)	241	(18)	29,970	(444,242)
Less: Net financial liabilities/(assets) denominated in the respective entities functional currencies	468,815	(1,632)	–	(31,824)	435,359
Currency Exposure	(5,620)	(1,391)	(18)	(1,854)	(8,883)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

	United States Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group						
2012						
Financial Assets						
Other investments	–	–	–	–	250	250
Refundable deposits	108,194	–	–	–	–	108,194
Trade and other receivables	22,974	3,181	–	77	51,330	77,562
Fixed deposits with licensed banks	768	–	–	–	20,863	21,631
Cash and bank balances	9,955	1,448	–	9	7,775	19,187
	141,891	4,629	–	86	80,218	226,824
Financial Liabilities						
Derivative liability	–	–	–	–	2,508	2,508
Payables	23,668	4,420	8	824	13,778	42,698
Borrowings	189,424	25	–	–	61,244	250,693
	213,092	4,445	8	824	77,530	295,899
Net financial (liabilities)/ assets	(71,201)	184	(8)	(738)	2,688	(69,075)
Less: Net financial liabilities/(assets) denominated in the respective entities functional currencies	55,031	(614)	–	–	(2,946)	51,471
Currency Exposure	(16,170)	(430)	(8)	(738)	(258)	(17,604)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
The Company			
2013			
Financial Assets			
Receivables	–	123	123
Amount owing by subsidiaries	–	473,089	473,089
Fixed deposits with licensed banks	–	13,200	13,200
Cash and bank balances	17,827	2,305	20,132
	17,827	488,717	506,544
Financial Liabilities			
Payables	–	2,935	2,935
Amount owing to subsidiaries	–	191,288	191,288
Borrowings	–	20,000	20,000
	–	214,223	214,223
Net financial assets	17,827	274,494	292,321
Less: Net financial assets denominated in the entity's functional currency	–	(274,494)	(274,494)
Currency Exposure	17,827	–	17,827
2012			
Financial Assets			
Receivables	–	373	373
Amount owing by subsidiaries	–	460,355	460,355
Fixed deposits with licensed banks	–	19,364	19,364
Cash and bank balances	6,521	4,783	11,304
	6,521	484,875	491,396
Financial Liabilities			
Payables	–	3,360	3,360
Amount owing to subsidiaries	–	177,394	177,394
Borrowings	–	61,244	61,244
	–	241,998	241,998
Net financial assets	6,521	242,877	249,398
Less: Net financial assets denominated in the entity's functional currency	–	(242,877)	(242,877)
Currency Exposure	6,521	–	6,521

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000
Effects on profit after taxation				
United States Dollar:				
– strengthened by 10%	(562)	(1,617)	1,783	652
– weakened by 10%	562	1,617	(1,783)	(652)
Singapore Dollar:				
– strengthened by 10%	(139)	(43)	–	–
– weakened by 10%	139	43	–	–
Effects on equity				
United States Dollar:				
– strengthened by 10%	(562)	(1,617)	1,783	652
– weakened by 10%	562	1,617	(1,783)	(652)
Singapore Dollar:				
– strengthened by 10%	(139)	(43)	–	–
– weakened by 10%	139	43	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from its interest-bearing borrowings. On occasion, the Group enters into a variety of derivative financial instruments to manage its exposure to the interest rate risk.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates of the floating rate borrowings as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000
Effects on profit after taxation				
Increase of 50 basis points ("bp")	(2,744)	(1,074)	(25)	(179)
Decrease of 50 basis points ("bp")	2,744	1,074	25	179
Effects on equity				
Increase of 50 basis points ("bp")	(2,744)	(1,074)	(25)	(179)
Decrease of 50 basis points ("bp")	2,744	1,074	25	179

(iii) Equity Price Risk

The Group does not have any quoted investment and hence is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables (including trade receivables, other receivables and related parties). The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including fixed deposit with licensed banks and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit risk concentration profile

The Group's concentration of credit risk relates to the amounts owing by four (4) customers which constituted approximately 79% of its net trade receivables at the end of the reporting period.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of reporting period is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
The Group				
2013				
Not past due	30,066	–	–	30,066
Past due:				
– less than 3 months	7	–	–	7
– 3 to 6 months	226	–	–	226
– over 6 months	1,767	(297)	–	1,470
	32,066	(297)	–	31,769
2012				
Not past due	19,586	–	–	19,586
Past due:				
– less than 3 months	32,181	–	–	32,181
– 3 to 6 months	9,986	–	–	9,986
– over 6 months	2,054	(297)	–	1,757
	63,807	(297)	–	63,510

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

The Group's exposure to liquidity risk arises mainly from general funding and business activities. The Group practises prudent liquidity risk management by maintaining sufficient cash balances and funding through adequate amounts of committed credit facilities/credit lines for working capital requirements.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	← Within 1 Year RM'000	Maturity 1 – 5 Years RM'000	Over 5 Years RM'000 →
The Group					
2013					
Payables	41,501	41,501	41,241	260	–
Hire purchase payables	484	537	144	393	–
Term loans	553,439	617,866	114,790	470,023	33,053
Revolving credit	20,000	20,599	20,599	–	–
	615,424	680,503	176,774	470,676	33,053
2012					
Derivative liability	2,508	2,508	–	2,508	–
Payables	42,698	42,698	42,438	260	–
Hire purchase payables	269	297	105	192	–
Term loans	240,424	264,380	82,816	167,267	14,297
Revolving credit	10,000	10,164	10,164	–	–
	295,899	320,047	135,523	170,227	14,297
The Company					
2013					
Payables	2,935	2,935	2,721	214	–
Amount owing to subsidiaries	191,288	191,288	191,288	–	–
Revolving credit	20,000	20,599	20,599	–	–
	214,223	214,822	214,608	214	–
2012					
Payables	3,360	3,360	3,146	214	–
Amount owing to subsidiaries	177,394	177,394	177,394	–	–
Hire purchase payables	244	268	76	192	–
Term loans	51,000	52,547	48,509	4,038	–
Revolving credit	10,000	10,164	10,164	–	–
	241,998	243,733	239,289	4,444	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Cash Flow Hedge

The Group enters into a USD-MYR cross-currency interest rate swap to hedge the cash flow and the interest rate risks of its foreign currency floating rate term loan as disclosed in Note 23(a) to the financial statements. The cross-currency interest rate swap has the same nominal value of the term loan of USD14,480,000 (2012 – USD14,480,000) (equivalent to RM46,408,400) and is settled quarterly, consistent with the repayment schedule of the said term loan.

The cross-currency interest rate swap has been designated as a cash flow hedge and was assessed to be highly effective.

41.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. In the current financial year, the net debt components comprise total borrowings from financial institutions less cash and cash equivalents. In previous financial years, the net debt components comprise borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	2013	**2012**
	RM'000	**RM'000**
Long-term borrowings	459,783	165,943
Short-term borrowings	114,140	84,750
	573,923	250,693
Less: Fixed deposits with licensed banks	(26,098)	(21,631)
Less: Cash and bank balances	(34,928)	(19,187)
Net debt	512,897	209,875
Total equity	561,932	458,975
Debt-to-equity ratio	0.91	0.46

The Group did not breach any gearing requirement during the financial years ended 31 December 2012 and 31 December 2013.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Financial Assets				
Available-for-sale financial asset				
Other investments	150	250	–	–
Fair value through profit or loss				
Derivative asset	421	–	–	–
Loans and receivables financial assets				
Refundable deposits	52,697	108,194	–	–
Receivables	36,935	77,562	123	373
Amount owing by a related party	19,953	–	–	–
Amount owing by subsidiaries	–	–	473,089	460,355
Fixed deposits with licensed banks	26,098	21,631	13,200	19,364
Cash and bank balances	34,928	19,187	20,132	11,304
	171,182	226,824	506,544	491,396
Financial Liabilities				
Fair value through profit or loss				
Derivative liability	–	2,508	–	–
Other financial liabilities				
Payables	41,501	42,698	2,935	3,360
Amount owing to subsidiaries	–	–	191,288	177,394
Borrowings	573,923	250,693	20,000	61,244
	615,424	295,899	214,223	241,998

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 FAIR VALUE MEASUREMENTS

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
The Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**RM'000**	**RM'000**
2013								
Financial Assets								
Other investments:								
– unquoted shares	–	–	–	–	–	–	#	150
Derivative asset	–	421	–	–	–	–	421	421
Refundable deposits	–	52,697	–	–	–	–	52,697	52,697
Financial Liabilities								
Long-term borrowings	–	–	–	–	459,783	–	459,783	459,783
Payables	–	–	–	–	260	–	260	260

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
The Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Level* RM'000**	**RM'000**	**RM'000**
2012						
Financial Assets						
Other investments:						
– unquoted shares	–	–	–	–	#	250
Refundable deposits	–	108,194	–	–	108,194	108,194
Financial Liabilities						
Long term borrowings	–	–	–	165,943	165,943	165,943
Derivative liability	–	2,508	–	–	2,508	2,508
Payables	–	–	–	260	260	260

The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
The Company	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**RM'000**	**RM'000**
2013								
Financial Liabilities								
Payables	–	–	–	–	214	–	214	214
2012								
Financial Liabilities								
Long-term borrowings	–	4,179	–	–	–	–	4,179	4,179
Payables	–	–	–	–	214	–	214	214

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The details of the significant events during the financial year are as follows:-

(i) On 22 June 2011, the Company announced that it had filed a suit in the High Court of Malaya in Kuala Lumpur 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 PEB, by the Company to TA Securities on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by the Company as conducted by TA Securities 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 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. The Company will be seeking legal advice and is considering an appeal against the decision. On 25 March 2014, the Company further announced that other than the cost of the action, there are no other cost to be incurred by the Company and that the cost of the action will be quantified by the High Court after hearing submissions from counsel.

(ii) On 4 January 2013, the Company announced that Intra Oil Services Berhad ("IOS") had secured from Alam Maritim (M) Sdn Bhd, a contract to provide one unit of workboat for a charter period of nine months with an extension option of an additional year, and Perdana Marine Offshore Pte Ltd ("PMO") had secured from Ibnusina Resources Sdn Bhd, a contract to provide one unit of workbarge for a charter period of 21 months with an extension option of 3 months.

The Contracts with a total value of approximately RM70.0 million (excluding the extension option) were expected to contribute positively to the revenue and earnings of the Group.

(iii) On 7 January 2013, the Company announced that Perdana Nautika Sdn Bhd ("PNSB") had secured from PETRONAS Carigali Sdn Bhd ("PCSB") a Letter of Award (the "LOA") for the supply of four units of Anchor Handling Tug Supply (AHTS) vessels.

The charters will run for a period of five years each with extension options of an additional year. The LOA is valued at approximately RM430 million and is expected to contribute positively to the revenue and earnings of the Group.

(iv) On 14 January 2013, the Company announced that Perdana Mercury Limited ("PML") had on 10 January 2013 mutually agreed to terminate the bareboat charter agreement with Mount Bintang LLC on the accommodation workbarge, "Petra Excelsior" ("the Vessel") as well as the option to purchase the Vessel at agreed terms with Mount Bintang.

(v) On 22 April 2013, Petra Offshore Limited ("POL") entered into Memorandum of Agreements with Nam Cheong International Limited ("NCIL") for the acquisition of two units of 100 metres Accommodation/Work Vessel having the Hull Number SK310 and SK311 respectively at a consideration of USD29.5 million each.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(vi) On 23 May 2013, the Company has accepted a Letter of Award from Dayang Enterprise Sdn Bhd (DESB), a wholly-owned subsidiary of Dayang Enterprise Holdings Berhad ("Dayang Enterprise"), for the supply of five workbarges and one workboat for the duration of five years with an option to extend for one year. The estimated contract value amounted to approximately RM705 million.

(vii) On 22 July 2013, POL had entered into the Memorandum of Agreements with NCIL for the acquisition of one unit of Accommodation/Work Barge having the Hull Number SK312 at a consideration of USD29.5 million.

(viii) 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 as fully paid up on the basis of two Bonus Shares for every five existing Perdana Petroleum Berhad ("PPB") shares held.

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 rights 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.

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.

On 6 December 2013, 207,775,515 Bonus shares and 14,828,798 additional Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

(ix) On 18 September 2013, the Company announced that Asiaway Sdn Bhd which was placed under Members' Voluntary Liquidation on 21 December 2012 had held its Final Meeting on 14 June 2013 was dissolved on 17 September 2013.

(x) On 18 September 2013, the Company incorporated a new wholly-owned subsidiary, Perdana Earth Ltd under the Labuan Companies Act 1990.

(xi) On 21 November 2013, PML has mutually agreed to terminate the bareboat charter agreement with Mount Bintang LLC and Mount Bubu LLC on three vessels, i.e. "Perdana Liberty", "Perdana Frontier" and "Perdana Horizon" ("the Vessel"). On the same date, Perdana Pluto Ltd ("PPL") has entered into Memorandum of Agreements with Mount Bintang and Mount Bubu to purchase the Vessels for approximately USD50.0 million.

(xii) On 22 November 2013, the Company acquired 225,000 ordinary shares of RM1.00 each in Perdana Nautika Sdn Bhd (PNSB) representing a 45% equity interests in PNSB from Kelana Teroka Sdn Bhd (KTSB) for a total cash consideration of RM975,000. PPB currently owns 55% of the entire issued and paid up capital of PNSB. Upon completion of the acquisition of the 45% equity interests from KTSB, PNSB became a wholly owned subsidiary of PPB.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

43. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) On 16 January 2014, the Company announced that PNSB had accepted the Letter of Award (the "LOA") dated 10 January 2014 from Talisman Malaysia Limited for the charter of one unit of Anchor Handling Tug Supply (AHTS) vessel for a period of one year with an extension option of an additional year.

The LOA is valued at approximately RM50.0 million and is expected to contribute positively to the revenue and earnings of the Group.

(ii) On 23 January 2014, Petra Asia Limited ("PAL") which is a wholly-owned subsidiary of the Company would be wound up vide PAL's special resolution by way of members' voluntary winding up as it has been dormant for a period of time and the Company views that it is in the best interest of the Group to undertake this liquidation exercise.

The aforesaid members' voluntary winding up will not have any effect on the share capital and shareholding structure of PPB nor have any material operational and financial impact on the net assets, earnings and gearing of the Group.

(iii) On 24 February 2014, IOS has accepted the Letter of Award dated 17 February 2014 from Ocean Pro Offshore Sdn Bhd for the charter of one unit of accommodation barge for a period of two years with an extension option of an additional year.

The Contract value for the primary term of two years is approximately RM52.0 million and is expected to contribute positively to the revenue and earnings of the Group.

(iv) On 11 March 2014, the Company announced that Osam Marine Sdn Bhd, Malawi Marine Sdn Bhd and Kovan Marine Sdn Bhd, which were placed under Members' Voluntary Liquidation on 21 December 2012 had their Final Meetings on 6 December 2013 and were dissolved on 10 March 2014.

(v) On 26 March 2014, the Company announced that Petra Teknik Sdn Bhd ("PTSB") which is a wholly-owned subsidiary of the Company would be wound up by way of members' voluntary winding up as it has been dormant for a period of time and the Company views that it is in the best interest of the Group to undertake this liquidation exercise.

The aforesaid members' voluntary winding up will not have any effect on the share capital and shareholding structure of PPB nor have any material operational and financial impact on the net assets, earnings and gearing of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

44. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		**The Company**	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Total retained profits:				
– realised	157,163	94,073	120,369	128,839
– unrealised	1,961	(12,902)	46	11
	159,124	81,171	120,415	128,850
Less: Consolidation adjustments	74,758	91,051	–	–
At 31 December	233,882	172,222	120,415	128,850

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

STATISTICAL REPORT
AS AT 31 MARCH 2014

ANALYSIS BY SIZE OF SHAREHOLDINGS

Authorised share capital	: RM500,000,000
Issued and paid-up share capital	: RM368,230,587.50 divided into 736,461,175 ordinary shares of RM0.50 each
Class of shares	: Ordinary shares of RM0.50 each
Voting rights	: One vote per ordinary share held

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued and Paid-Up Share Capital
Less than 100	250	4.91	11,720	0.00
100 – 1,000	432	8.49	237,919	0.03
1,001 – 10,000	2,852	56.08	12,882,861	1.75
10,001 – 100,000	1,182	23.24	34,546,712	4.70
100,001 – less than 5% of issued shares	368	7.24	445,659,783	60.51
5% and above of issued shares	2	0.04	243,122,180	33.01
Total	**5,086**	**100.00**	**736,461,175**	**100.00**

LIST OF DIRECTORS' SHAREHOLDING AS AT 31 MARCH 2014

	No. of Shares			
Name of Directors	**Direct Interest**	**%**	**Indirect Interest**	**%**
Dato' Kho Poh Eng	37,428,969	5.08	140,000#	0.02
Koh Pho Wat	28,724,822	3.90	435,400#	0.06
Shamsul Bin Saad	3,198,125	0.43	25#	–
Soon Fook Kian	2,557,279	0.35	–	–
Surya Hidayat bin Abdul Malik	406,000	0.06	–	–
Ganesan A/L Sundaraj	–	–	–	–
Raja Anuar bin Raja Abu Hassan	–	–	–	–
Hamdan Bin Rasid	–	–	–	–
Leong Pooi Wah	–	–	–	–
Ling Suk Kiong	–	–	–	–
Bailey Kho Chung Siang	–	–	–	–
Wong Chee Lin	–	–	–	–

Note:
Deemed interest pursuant to Section 134(12)(c) of the Companies Act, 1965.

Shares in related corporation

None of the above Directors has any direct interest in shares in the related corporation as at 31 March 2014.

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2014

	No. of Shares			
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**
Dayang Enterprise Holdings Berhad	180,897,780	24.56	–	–
Lembaga Tabung Haji	62,224,400	8.45	5,445,420	0.74
Dato' Kho Poh Eng	37,428,969	5.08	140,000	0.02
Employees Provident Fund	–	–	61,531,720	8.36

STATISTICAL REPORT (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2014

No.	Name of Shareholders	No of Shares	% of Issued and Paid-Up Share Capital
1.	Dayang Enterprise Holdings Bhd	147,983,080	20.09
2.	Lembaga Tabung Haji	62,224,400	8.45
3.	Koh Pho Wat	28,696,824	3.89
4.	AmBank (M) Berhad- Pledged Securities Account for Kho Poh Eng (SMART)	23,621,049	3.21
5.	CitiGroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (CIMB Prin)*	20,800,180	2.82
6.	CitiGroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (Nomura)*	18,020,000	2.45
7.	Dayang Enterprise Holdings Bhd	15,539,860	2.11
8.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for the Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)*	13,127,000	1.78
9.	Cartaban Nominees (Tempatan) Sdn Bhd *Exempt An for Eastspring Investments Berhad*	13,051,040	1.77
10.	Kho Tian Boo	12,199,366	1.66
11.	Yap Ah Fatt	11,900,000	1.62
12.	CitiGroup Nominees (Tempatan) Sdn Bhd *Exempt An for AIA Bhd*	11,876,241	1.61
13.	CitiGroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AM INV)*	10,851,280	1.47
14.	HSBC Nominees (Asing) Sdn Bhd *HSBC-FS for Manulife Pacific Asia Equity Fund*	10,541,440	1.43
15.	Dayang Enterprise Holdings Bhd	8,974,840	1.22
16.	CitiGroup Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)*	8,900,520	1.21
17.	Dayang Enterprise Holdings Bhd	8,400,000	1.14
18.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kho Poh Eng (021)*	6,782,440	0.92
19.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kho Poh Eng*	6,062,980	0.82
20.	CitiGroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (RHB INV)*	5,799,800	0.79
21.	CitiGroup Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan) (RHB INV)*	5,489,800	0.75
22.	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (LPF)*	5,356,600	0.73
23.	CitiGroup Nominees (Asing) Sdn Bhd *CBNY for Dimensional Emerging Markets Value Fund*	5,180,980	0.70
24.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend)*	5,074,560	0.69
25.	CitiGroup Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)*	4,998,320	0.68
26.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Hwang Ai Iman Growth Fund (4207)*	4,761,000	0.65
27.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for MAAKL-HW Flexi Fund (270519)*	4,740,400	0.64
28.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for Standard Chartered Bank Singapore branch*	4,691,664	0.64
29.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (AIM 6939-405)*	4,258,000	0.58
30.	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (Par 3)*	3,791,200	0.51

STATISTICAL REPORT (CONT'D)

ANALYSIS BY SIZE OF WARRANTS HOLDING

No. of Warrants in issue : 42,654,923
Exercise Price of Warrants : RM0.71
Expiry Date of Warrants : 26 October 2015
Voting Rights : One vote per warrant held

Size of Warrantholdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrant Holding	% of Warrant Issued
Less than 100	279	17.13	15,749	0.04
100 – 1,000	457	28.06	222,725	0.52
1,001 – 10,000	623	38.24	2,030,166	4.76
10,001 – 100,000	219	13.44	6,922,473	16.23
100,001 – less than 5% of issued Warrants	48	2.95	16,441,878	38.55
5% and above of issued Warrants	3	0.18	17,021,932	39.90
Total	**1,629**	**100.00**	**42,654,923**	**100.00**

LIST OF DIRECTORS' WARRANTS HOLDING AS AT 31 MARCH 2014

Name of Directors	No. of shares			
	Direct Interest	%	Indirect Interest	%
Dato' Kho Poh Eng	3,982,613	9.34	20,252#	0.05
Koh Pho Wat	4,107,879	9.63	59,477#	0.14
Shamsul Bin Saad	32,811	0.08	1,836#	–
Soon Fook Kian	416,850	0.98	–	–
Surya Hidayat Bin Abdul Malik	–	–	–	–
Ganesan A/L Sundaraj	–	–	–	–
Raja Anuar Bin Raja Abu Hassan	–	–	–	–
Hamdan Bin Rasid	–	–	–	–
Leong Pooi Wah	–	–	–	–
Ling Suk Kiong	–	–	–	–
Bailey Kho Chung Siang	–	–	–	–
Wong Chee Lin	–	–	–	–

Note:
Deemed interest pursuant to Section 134(12)(c) of the Companies Act, 1965.

STATISTICAL REPORT (CONT'D)

THIRTY LARGEST WARRANT HOLDERS AS AT 31 MARCH 2014

No.	Name of Warrantholders	No of Warrants	% of Issued Warrants
1.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for the HongKong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)*	8,931,440	20.94
2.	Koh Pho Wat	4,093,881	9.60
3.	Kho Poh Eng	3,982,613	9.34
4.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for Standard Chartered Bank Singapore Branch*	1,102,498	2.58
5.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ang Eng Huat*	1,090,800	5.56
6.	Beh Eng Par	1,000,000	2.34
7.	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Siew Boon Yeong*	869,610	2.04
8.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Hooi Hing Lee*	733,000	1.72
9.	Lim Kuan Gin	730,940	1.71
10.	Lim Kwai Thin	670,000	1.57
11.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Too Boon Siong*	665,000	1.56
12.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kang Sua Hwee*	610,000	1.43
13.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for CIMB-Principal Strategic for Lee Soon Soo*	420,000	0.98
14.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Lee Soon Soo*	420,000	0.98
15.	Soon Fook Kian	411,600	0.96
16.	Lim How Chun	360,000	0.84
17.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khoo Ah Ba*	360,000	0.84
18.	Hor Kan Lee	330,400	0.77
19.	Lee Yew Hui	327,200	0.77
20.	Chua Siew Chen	317,720	0.74
21.	Wong Heng Loong	295,000	0.69
22.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chia Yee Kheong*	283,600	0.66
23.	Soh Kim Hing	280,000	0.66
24.	Beh Chan Sin	273,000	0.64
25.	Nga Hong Lee	270,000	0.63
26.	Leong Seng Keat	259,910	0.61
27.	Lam Chee Ngai	246,260	0.58
28.	Chin Siew Har	230,000	0.54
29.	Wee Yan Yoke	220,000	0.52
30.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chow Heng Lan*	215,600	0.51

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of the Company will be held at No. 6-8 Jalan Seri Utara 1, Seri Utara, Batu 7, Jalan Ipoh, 68100 Kuala Lumpur on Thursday, 22 May 2014 at 11.00 a.m. for the following purposes:

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon.	
2.	To approve the payment of Directors' fees.	Resolution 1
3.	To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:	
	3.1 Ganesan A/L Sundaraj (Article 103)	Resolution 2
	3.2 Raja Anuar bin Raja Abu Hassan (Article 103)	Resolution 3
	3.3 Hamdan bin Rasid (Article 103)	Resolution 4
	3.4 Wong Chee Lin (Article 109)	Resolution 5
4.	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.	Resolution 6
5.	As Special Business	

To consider and if thought fit, pass the following Resolutions:

ORDINARY RESOLUTIONS:

5.1 **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965** — Resolution 7

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

5.2 **Proposed Renewal of existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or Trading Nature.** — Resolution 8

"THAT approval be and is hereby given to the Company and/or its subsidiaries ("PPB Group" or "the Group") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.2 of the Circular to Shareholders dated 30 April 2014 ("the Circular"), provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Shareholders' Mandate");

THAT the Proposed Shareholders' Mandate shall only continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

THAT, the estimates given on the recurrent related party transactions specified in Section 2.3.2 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in Section 2.4 of the Circular and the aggregate value of the Recurrent Transactions be disclosed in the Annual Report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate."

By Order of the Board

LEONG OI WAH (MAICSA 7023802)
Company Secretary
30 April 2014

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote his stead. Such proxy may but need not be a member of the Company and Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply. Where there are two (2) or more proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourn meeting.

Depositors who appear in the Record of Depositors as at 15 May 2014 shall be regarded as Member of the Company entitled to attend the Eighteenth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

Explanatory notes on Special Business:

Ordinary Resolution 7

The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 21 May 2013 ("Previous Mandate"). The Company did not utilise the Previous Mandate. The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding of working capital, repayment of borrowings, payment of refundable deposits in respect of sale and leaseback of vessels and/or investments.

Ordinary Resolution 8

Please refer to the Circular to Shareholders dated 30 April 2014 for further information.

PROXY FORM

CDS Acc No.	
No. of Shares Held	

I/We, ____

*NRIC No./Company No./Passport No. ________________________ of ______________________________

being a Member of **PERDANA PETROLEUM BERHAD** hereby appoint _____________________________________

*NRIC No./Company No./Passport No. ________________________ of ______________________________

*and/or failing him/her ____

*NRIC No./Company No./Passport No. ________________________ of ______________________________

or *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us and on *my/*our behalf at the Eighteenth Annual General Meeting of the Company to be held on Thursday, 22 May 2014 at 11.00 a.m. and at any adjournment thereof.

*My/*Our proxy(ies) is/are to vote as indicated below:-

Agenda	Resolution	For	Against
To approve payment of Directors' fees.	1		
To re-elect Ganesan A/L Sundaraj	2		
To re-elect Raja Anuar bin Raja Abu Hassan	3		
To re-elect Hamdan bin Rasid	4		
To re-elect Wong Chee Lin	5		
To re-appoint Auditors of the Company for the ensuing year.	6		
To authorize the issuance of shares pursuant to Section 132D of the Companies Act, 1965.	7		
Proposed Renewal of existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or Trading Nature.	8		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion].

Dated this _______________ day of _______________ 2014

____

[Signature/Common Seal of Shareholder(s)]

*Delete if not applicable

Notes:

A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote his stead. Such proxy may but need not be a member of the Company and Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply. Where there are two (2) or more proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourn meeting.

Depositors who appear in the Record of Depositors as at 15 May 2014 shall be regarded as Member of the Company entitled to attend the Eighteenth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

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STAMP

PERDANA PETROLEUM BERHAD
c/o Tricor Investor Services Sdn Bhd
Level 17 The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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www.perdana.my

PERDANA PETROLEUM BERHAD 372113-A
No. 6-8, Jalan Seri Utara 1, Seri Utara
Batu 7, Jalan Ipoh, 68100 Kuala Lumpur
Tel: +603 6257 1111 Fax: +603 6257 7708
E-mail: ppb.corporate@perdana.my