



# **PERDANA PETROLEUM BERHAD**

Company No. 372113-A  
(Incorporated in Malaysia)

## **Interim Report for the Quarter Ended 30 September 2023**

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	-----Unaudited-----			
	Current Quarter Ended 30-Sept-23 RM'000	Corresponding Quarter Ended 30-Sept-22 RM'000	Current Period Ended 30-Sept-23 RM'000	Corresponding Period Ended 30-Sept-22 RM'000
Revenue	103,923	69,427	215,191	141,419
Cost of services	(66,203)	(38,105)	(145,682)	(118,828)
<b>Gross profit</b>	<b>37,720</b>	<b>31,322</b>	<b>69,509</b>	<b>22,591</b>
Other income	48	206	1,311	598
Administrative expenses	(4,086)	(3,424)	(9,791)	(8,694)
Other expenses	(1,128)	(11,137)	(20,180)	(13,924)
<b>Results from operating activities</b>	<b>32,554</b>	<b>16,967</b>	<b>40,849</b>	<b>571</b>
Finance income	249	131	592	409
Finance costs	(2,376)	(2,145)	(6,852)	(6,098)
Net finance costs	(2,127)	(2,014)	(6,260)	(5,689)
<b>Profit/(Loss) before tax</b>	<b>30,427</b>	<b>14,953</b>	<b>34,589</b>	<b>(5,118)</b>
Taxation	(7,668)	(3,539)	(11,441)	(4,009)
<b>Profit/(Loss) for the period/year</b>	<b>22,759</b>	<b>11,414</b>	<b>23,148</b>	<b>(9,127)</b>
<i>Other comprehensive income:</i>				
<i>Foreign currency translation</i>	<i>2,440</i>	<i>42,208</i>	<i>56,820</i>	<i>84,428</i>
<b>Total comprehensive income for the period/year attributable to Owners of the Company</b>	<b>25,199</b>	<b>53,622</b>	<b>79,968</b>	<b>75,301</b>
<b>Profit/(Loss) for the period/year attributable to:</b>				
Owners of the Company	22,759	11,414	23,148	(9,127)
Non-controlling interests	-	-	-	-
	<b>22,759</b>	<b>11,414</b>	<b>23,148</b>	<b>(9,127)</b>
<b>Total comprehensive income for the period/year attributable to:</b>				
<i>Owners of the Company</i>	<i>25,199</i>	<i>53,622</i>	<i>79,968</i>	<i>75,301</i>
<i>Non-controlling interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<b>25,199</b>	<b>53,622</b>	<b>79,968</b>	<b>75,301</b>
<b>Profit/(Loss) per share (Sen)</b>				
a) Basic	1.03	0.51	1.04	(0.41)
b) Diluted	1.02	0.51	1.03	N/A

(The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022)

**PERDANA PETROLEUM BERHAD**  
(Company No. 372113 - A)  
(Incorporated in Malaysia)



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2023**

**STATEMENT OF FINANCIAL POSITION**

	(Unaudited) 30-Sept-23 RM'000	(Audited) 31-Dec-22 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	690,028	695,648
Deposits	-	11,087
Deferred tax assets	9,595	7,240
	<u>699,623</u>	<u>713,975</u>
<b>CURRENT ASSETS</b>		
Inventories	8,431	2,823
Trade and other receivables	131,462	51,212
Deposits and prepayments	8,163	3,483
Current tax assets	5,286	5,847
Cash and cash equivalents	49,191	45,428
	<u>202,533</u>	<u>108,793</u>
<b>TOTAL ASSETS</b>	<u>902,156</u>	<u>822,768</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	885,198	885,198
Reserves	(219,901)	(299,869)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>665,297</u>	<u>585,329</u>
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<u>665,297</u>	<u>585,329</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	19,611	32,642
Trade and other payables	105,656	118,453
Deferred tax liabilities	1,909	1,909
	<u>127,176</u>	<u>153,004</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	12,776	19,919
Trade and other payables	83,046	63,056
Current tax liabilities	13,861	1,460
	<u>109,683</u>	<u>84,435</u>
<b>TOTAL LIABILITIES</b>	<u>236,859</u>	<u>237,439</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>902,156</u>	<u>822,768</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>		
	0.30	0.26

(The Statement of Financial Position should be read in conjunction  
with the audited financial statements of the Group for the financial year ended 31 December 2022)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2023**

**STATEMENT OF CASH FLOWS**

	<b>(Unaudited) Year Ended 30-Sept-23 RM'000</b>	<b>(Audited) Year Ended 31-Dec-22 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	34,589	13,727
<i>Adjustments for:</i>		
(Reversal)/Net impairment loss on financial assets	(1,677)	270
Reversal of impairment loss on property, plant and equipment	-	(11,363)
Depreciation of property, plant and equipment	46,771	60,611
Gain on disposal of property, plant and equipment	-	(1,161)
Finance costs	6,852	7,303
Finance income	(592)	(263)
Unrealised loss on foreign exchange	19,385	10,391
<b>Operating profit before changes in working capital</b>	<b>105,328</b>	<b>79,515</b>
<i>Changes in working capital:</i>		
Inventories	(5,608)	2,074
Trade and other receivables, deposits and prepayments	(82,777)	(590)
Trade and other payables	(6,471)	(12,653)
<b>Cash generated from operations</b>	<b>10,472</b>	<b>68,346</b>
Income tax received	2,435	333
Income tax paid	(3,342)	(1,627)
<b>Net cash from operating activities</b>	<b>9,565</b>	<b>67,052</b>
<b>Cash flows for investing activities</b>		
Interest received	592	55
Proceeds from disposal of property, plant and equipment	-	19,749
Refundable deposits refunded	12,000	-
Purchase of property, plant and equipment	(1,969)	(4,812)
<b>Net cash generated from investing activities</b>	<b>10,623</b>	<b>14,992</b>
<b>Cash flows from financing activities</b>		
Repayment of term loan - Islamic	(10,455)	(2,357)
Repayment of term loan - Commodity Murabahah Financing I	(6,118)	(7,732)
Repayment of secured term loans	(7,356)	(9,549)
Repayment of hire purchase liability	(45)	(58)
Repayment to a related company	(10,896)	(32,234)
Interest paid	(8,365)	(13,087)
<b>Net cash used in financing activities</b>	<b>(43,235)</b>	<b>(65,017)</b>
Net (decrease)/increase in cash and cash equivalents	(23,047)	17,027
Effect of exchange rate movements	26,810	4,958
Cash and cash equivalents at the beginning of the financial period/year	45,428	23,443
Cash and cash equivalents at the end of the financial period/year	<b>49,191</b>	<b>45,428</b>
<b>Cash and cash equivalents</b>		
Deposits placed with licensed banks	3,300	35,624
Cash on hand and at banks	45,891	9,804
	<b>49,191</b>	<b>45,428</b>

**(The Statement of Cash Flows should be read in conjunction  
with the audited financial statements of the Group for the financial year ended 31 December 2022)**

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company						Total Equity RM'000
	Ordinary Share Capital RM'000	Redeemable Convertible Preference Shares RM'000	Other Capital Reserve RM'000	Translation Reserve RM'000	Accumulated losses RM'000	Sub- Total RM'000	
<b>Financial year ended 30 September 2023 (Unaudited)</b>							
As at 1 January 2023	877,204	7,994	1,635	140,583	(442,087)	585,329	585,329
Total transactions with owners of the Company	860	(860)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	56,820	23,148	79,968	79,968
<b>Balance as at 30 September 2023</b>	<b>878,064</b>	<b>7,134</b>	<b>1,635</b>	<b>197,403</b>	<b>(418,939)</b>	<b>665,297</b>	<b>665,297</b>
<b>Financial year ended 31 December 2022 (Audited)</b>							
As at 1 January 2022	876,947	8,251	1,635	90,706	(451,306)	526,233	526,233
Reclassification				2,166	(2,166)	-	-
Total transactions with owners of the Company	257	(257)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	47,711	11,385	59,096	59,096
<b>Balance as at 31 December 2022</b>	<b>877,204</b>	<b>7,994</b>	<b>1,635</b>	<b>140,583</b>	<b>(442,087)</b>	<b>585,329</b>	<b>585,329</b>

(The Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2023

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

**2. Changes in Accounting Policies**

**2.1 Adoption of Accounting Standards, Amendments and Interpretations**

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2022, except for the adoption of the following Amendments from 1 January 2023:

<b>MFRS / Amendments / Interpretations</b>	<b>Effective Date</b>
Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112, <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of the abovementioned Amendments does not have any material financial impact on the current period and prior period financial statements of the Group and the Company.

**2.2 Accounting Standards, Amendments and Interpretations issued but not yet effective**

<b>MFRS / Amendments / Interpretations</b>	<b>Effective Date</b>
Amendments to MFRS 16, <i>Leases– Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101, <i>Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>	1 January 2024

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**2. Changes in Accounting Policies (Cont'd)**

**2.2 Accounting Standards, Amendments and Interpretations issued but not yet effective (Cont'd)**

Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

To be determined

The Group and the Company plan to apply from the annual period beginning on 1 January 2024, the Amendments that are effective for annual periods beginning on or after 1 January 2024,

The initial application of the abovementioned Amendments is not expected to have any material financial impact on the current period and prior period financial statements of the Group and the Company.

**3. Qualification of Financial Statements**

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

**4. Seasonal or Cyclical Factors**

Due to its synergistic tie-up with Dayang Enterprise Holdings Bhd. (“Dayang”), the ultimate holding company, about a quarter to a half of the Group’s vessel fleet hired out is chartered to Dayang and the latter’s offshore topside maintenance operations are normally affected by bad weather at the beginning and the end of the year. The utilisation rate of the Group's vessels which are not chartered to Dayang is similarly affected by bad weather at the beginning and the end of the year. This factor has been taken into consideration in the Group’s annual business plan.

**5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, or cash flows during the current quarter and financial year except for other income/expenses and other comprehensive income/expenses arising from realised/unrealised foreign exchange gain/loss and gain on foreign currency translation of the results and financial position of the Labuan subsidiaries.

During the current financial period, other income mainly comprises a reversal of impairment loss on receivables of RM1.7 million. Other expenses comprise net realised/unrealised foreign exchange loss of RM19.7 million, whereas other comprehensive income includes foreign currency translation gain of RM56.8 million respectively.

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

**6. Material Changes in Estimates**

In 2022, an oil-major client agreed on a Revision of the Vessel Age Limit of AHTS from fifteen (15) years to twenty (20) years subject to the fulfillment of the Conditional Assessment Programme ("CAP") and Overall Offshore Vessel Management Self-Assessment ("OVMSA"). Taking cognizance of the above revision and the improving prospects of the oil market, the Group re-assessed the value-in-use of the AHTS and other vessels, following which a net reversal of provision for impairment loss on property, plant and equipment of RM11.4 million was made for the quarter and year ended 31 December 2022. There is no such reversal of provision for impairment loss nor additional provision for impairment loss in the current quarter.

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

There has been no cancellation, repurchase, resale or repayment of debts and equity securities in the current quarter and financial year other than the conversion of 2,646,968 Redeemable Convertible Preference Shares ("RCPS") into new ordinary shares at a conversion ratio of 1 RCPS : 1 ordinary share of the Company. The conversion price of RM0.325 per share is the same as the issue price of the RCPS.

The cumulative number of RCPS converted into ordinary shares of the Company since issuance is 1,441,595,010 as at 30 September 2023 and the number of RCPS yet to be converted as at that date is 22,034,189.

**8. Dividends Paid**

No dividend has been declared or paid for the financial year ended 31 December 2022 and the quarter ended 30 September 2023.



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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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	<b>Marine Offshore Support Services</b>	
	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-22 RM'000</b>
<b>Segment profit</b>	32,728	27,528
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	103,923	69,427
Inter-segment revenue	90,275	87,258
Depreciation and amortization	(19,920)	(12,997)
Reversal on impairment loss on receivables	-	-
Finance costs	(949)	(672)
Finance income	75	3
Unrealised foreign exchange loss	(837)	(2)

**Reconciliation of reportable segment revenues, profit or loss, assets, and other material items**

<b>Profit or loss</b>		
Total profit for reportable segments	32,728	27,528
Other non-reportable segments	(2,301)	(1,844)
Elimination of inter-segment loss	-	(10,731)
Consolidated profit before tax	30,427	14,953

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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<b>Current Quarter Ended 30 Sep 2023</b>	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>
Total reportable segments	103,923	(19,920)	(949)	75
Other non-reportable segments	-	(21)	(1,427)	174
Consolidated total	103,923	(19,941)	(2,376)	249

<b>Corresponding Quarter Ended 30 Sep 2022</b>	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>
Total reportable segments	69,427	(12,997)	(672)	3
Other non-reportable segments	-	(38)	(1,473)	128
Consolidated total	69,427	(13,035)	(2,145)	131

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**9. Segmental Information (Cont'd)**

**9.2 Segment Results and Assets for the Current Period versus Corresponding Period**

	<b>Marine Offshore Support Services</b>	
	<b>Current Period-to-date Ended 30-Sep-23 RM'000</b>	<b>Corresponding Period-to-date Ended 30-Sep-22 RM'000</b>
<b>Segment profit</b>	43,044	16,511
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	215,191	141,419
Inter-segment revenue	210,578	187,365
Depreciation and amortization	(46,687)	(43,318)
Reversal of impairment loss on receivables	1,677	1,407
Finance costs	(2,539)	(1,534)
Finance income	198	10
Unrealised foreign exchange (loss)/gain	(16,868)	1,652
<b>Segment assets</b>	<b>575,875</b>	<b>619,565</b>
<b>Reconciliation of reportable segment revenues, profit or loss, assets and other material items</b>		
<b>Profit or loss</b>		
Total profit for reportable segments	43,044	16,511
Other non-reportable segments	(8,465)	(5,477)
Elimination of inter-segment profit/(loss)	10	(16,152)
Consolidated profit/(loss) before tax	34,549	(5,118)

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(Cont'd)**

<b>As at 30 Sep 2023</b>	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>	<b>Segment assets RM'000</b>
Total reportable segments	215,191	(46,687)	(2,539)	198	575,875
Other non-reportable segments	-	(87)	(4,313)	394	335,398
Elimination of inter- segment transactions or balances	-	-	-	-	(9,117)
<b>Consolidated total</b>	<b>215,191</b>	<b>(46,774)</b>	<b>(6,852)</b>	<b>592</b>	<b>902,156</b>

<b>As at 30 Sep 2022</b>	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>	<b>Segment assets RM'000</b>
Total reportable segments	141,419	(43,318)	(1,534)	10	619,565
Other non-reportable segments	-	(96)	(4,564)	399	399,677
Elimination of inter- segment transactions or balances	-	-	-	-	(145,091)
<b>Consolidated total</b>	<b>141,419</b>	<b>(43,414)</b>	<b>(6,098)</b>	<b>409</b>	<b>874,151</b>

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

**10. Revenue**

**10.1 Disaggregation of Revenue from Contracts with Customers**

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers, except for immaterial amounts related to hedge accounting.

In the following table, revenue from contracts with customers is disaggregated by service line and timing of revenue recognition.

	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-22 RM'000</b>
<b>Major service line</b>		
Catering services	9,466	6,141
<b>Timing of recognition</b>		
At a point in time	9,466	6,141

**10.2 Nature of services**

The following information reflects the typical transactions of the Group:

<b>Nature of goods or services</b>	<b>Timing of recognition or method used to recognise revenue</b>	<b>Significant payment terms</b>
Catering services	Revenue is recognised at a point in time when the services are performed and accepted by the customers.	Credit periods of 30 to 45 days from invoice date.

**11. Valuation of Property, Plant and Equipment ("PPE")**

The Group periodically reassesses its assets (except for inventories, deferred tax assets and financial assets) to determine whether there is any indication of further impairment to the assets or if there is any reversal of impairment previously provided.

The Group generally adopts value-in-use ("VIU") estimations for the reassessment which entail discounting the estimated future cash flows from the continuing use of its PPE. The Group may, where warranted, commission valuations to be performed by an independent valuer to determine the recoverable amounts of certain vessels based on their fair value less costs of disposal. The recoverable amounts were compared against the carrying amounts of the PPE.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**11. Valuation of Property, Plant and Equipment (“PPE”) (Cont’d)**

There were no revaluations of property, plant and equipment during the quarter ended 30 September 2023, after those carried out for the year ended 31 December 2022. As at 30 September 2023, all major property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses.

The Group reviews its vessels for impairment in accordance with MFRS 136, *Impairment of Assets*. The recoverable amounts of the vessels are determined based on the higher of fair value less costs of disposal (“FVLCOD”) and value in use (“VIU”). The Group considers each vessel with vessel parts and drydocking as a cash generating unit (“CGU”). In instances where the impairment loss of vessels is determined based on their FVLCOD, valuations are performed by an independent valuer using the market approach to determine the FVLCOD.

There is neither an additional provision for impairment loss for PPE nor a reversal of the provision in the current quarter and period or in the corresponding quarter and period of 2022. The Group’s accumulated impairment loss for PPE remains at USD50.3 million as at 30 September 2023 and 31 December 2022 (equivalent to RM236 million and RM222 million respectively, where the difference is attributable to the difference in the exchange rates at the reporting dates).

**12. Material Events Subsequent to the Reporting Period**

There were no material events after the current financial quarter ended 30 September 2023 up to the date of this report which is likely to substantially affect the financial results of the Group.

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

There were no changes in the composition of the Group for the current quarter ended 30 September 2023.

**14. Contingent Liabilities**

a) The following are the contingent liabilities of the Group as at 30 September 2023:

	As at 30-Sep-23	
	Group RM'000	Company RM'000
<b>Contingent liabilities not considered remote</b>		
Corporate guarantees favouring banks for facilities granted to:		
- ultimate holding company	343,347	343,347
- subsidiaries	-	32,180
	<b>343,347</b>	<b>375,527</b>

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**14. Contingent Liabilities (Cont'd)**

b) In 2022 there were two (2) incidents of anchor loss involving two (2) offshore support vessels (“OSV”) chartered out by one of the Group’s subsidiaries to two (2) engineering, procurement, construction and commissioning (“EPCC”) contractors. The EPCC contractors had informed the Group’s subsidiary to retrieve the lost anchors upon receiving the instruction from their client who is also a local oil major, and the mutual insurance association providing indemnity cover for the two (2) OSV concerned has been notified.

The Protection and Indemnity Mutual Association (“P&I Club”) made an initial offer to indemnify the Group up to USD2,000,000 for the cost of recovery of both lost anchors with a penalty claim premium of USD200,250. Based on the latest finding in one of the anchor loss claims, the subsidiary on 19 April 2023 entered into a settlement agreement resulting in an insurance compensation payment of USD333,333.33 by the P&I Club to the EPCC Contractor concerned. Insurance compensation has been made to the EPCC Contractor on 2 May 2023 and this claim has been closed.

As for the remaining claim, Management is currently finalising the recovery plan and cost to be incurred and should the final recovery cost to be paid by the insurer be more than USD1.67 million, the P&I Club advised that they may have to review the premiums at the next renewal, the quantum of which currently cannot be ascertained.

For avoidance of doubt, based on the information made available as at this date and substantiation by the management, the Directors are of the view that no material losses will arise from the possible additional claims at the date of these financial statements.

**15. Capital Commitments**

The Group’s capital commitments as at 30 September 2023 are as follows:

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>RM’000</b>	<b>RM’000</b>
Approved but not contracted for	24,510	13,874
Approved and contracted for	9,538	14,826
	<b>34,048</b>	<b>28,700</b>

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- a) The Group / Company entered into the following transactions with related parties during the financial quarter:

	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-22 RM'000</b>
<b>Company</b>		
i. Subsidiaries:		
- management fees income	648	423
ii. Related party:		
- interest expense	1,428	1,348
<b>Group</b>		
i. Related party:		
- vessel charter income	9,728	27,494
- interest expense	1,428	1,348

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

- b) Compensation of key management personnel

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

	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-22 RM'000</b>
Short-term employee benefits	402	373



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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****17. Review of Financial Performance****Current Year Quarter versus Preceding Year Corresponding Quarter**

	<b>Current</b>	<b>Corresponding</b>	<b>Variance</b>	
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>RM'000</b>	<b>%</b>
	<b>30-Sep-23</b>	<b>30-Sep-22</b>		
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	103,923	69,427	34,496	50
Gross Profit	37,720	31,322	6,398	20
Profit Before Interest and Taxation	32,554	16,967	15,587	92
Profit Before Taxation	30,427	14,953	15,474	103
Profit After Taxation	22,759	11,414	11,345	99
Profit Attributable to Ordinary Equity Holders of the Company	22,759	11,414	11,345	99

For the current quarter ended 30 September 2023, the Group has recorded a higher revenue of RM103.9 million and a higher profit before tax of RM30.4 million, as compared to a revenue of RM69.4 million and a profit before tax of RM14.9 million in the third quarter of 2022.

The higher revenue achieved in the third quarter of 2023 was attributable to higher daily charter rates (“DCR”) following an uptrend in offshore production operations resulting in a higher demand for offshore support vessels. An increase in the chartering of third-party vessels, also contributed to the higher revenue generated as compared with the same period last year.

The profit before tax of RM30.4 million for the current quarter, as compared to a profit of RM14.9 million last year, was achieved mainly on account of higher daily charter rates, a better contribution from the chartering of third-party vessels as well as ancillary chartering services activities and a much lower net realised/unrealised foreign exchange loss in the current quarter.

The profit after tax of RM22.8 million in the current quarter was arrived at after taking into account tax expenses amounting to RM7.7 million (see Note 21).

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****17. Review of Financial Performance (Cont'd)****Current Period-to-date versus Preceding Period-to-date**

	<b>Current Period-to-date Ended 30-Sep-23 RM'000</b>	<b>Corresponding Period-to-date Ended 30-Sep-22 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	215,191	141,419	73,772	52
Gross Profit	69,509	22,591	46,918	208
Profit Before Interest and Taxation	40,849	571	40,278	7054
Profit/(Loss) Before Taxation	34,589	(5,118)	39,707	875
Profit/(Loss) After Taxation	23,148	(9,127)	32,275	454
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	23,148	(9,127)	32,275	454

For the financial period year ended 30 September 2023, the Group recorded a higher revenue of RM215.2 million and higher profit before tax of RM34.6 million, as compared to a revenue of RM141.4 million and a loss before tax of RM5.1 million for the corresponding period ended 30 September 2022.

The higher revenue for the third quarter ended 30 September 2023 was mainly the result of much improved daily charter rates despite a comparable vessel utilisation rate of 59% for the same period last year.

The Group posted a higher profit before tax of RM34.6 million for the financial period ended 30 September 2023 as compared to a loss before tax of RM5.1 million achieved for the same period last year. The better profit was achieved on the back of better margins from both vessel chartering and chargeable ancillary services as well as higher third-party vessel chartering activities. Countering to some extent were the higher other expenses mainly on net realised/unrealised foreign exchange loss (19.7 million vs 14.8 million)

The profit after tax for nine (9) months period ended 30 September 2023 stood at RM23.1million as compared to a loss of RM9.1 million for the same period last year. Some RM11.4 million of tax expenses have been provided in arriving at the profit. (see Note 21).

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**18. Financial Review for Current Quarter Compared with Immediate Preceding Quarter**

	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Jun-23 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	103,923	81,635	22,288	27
Gross Profit	37,720	37,652	68	0.2
Profit Before Interest and Taxation	32,554	16,875	15,679	93
Profit Before Taxation	30,427	13,868	16,559	119
Profit After Taxation	22,759	8,646	14,113	163
Profit Attributable to Ordinary Equity Holders of the Company	22,759	8,646	14,113	163

The Group recorded a higher revenue of RM103.9 million and a profit before tax of RM30.4 million in the current quarter, as compared to a revenue of RM81.6 million and a profit before tax of RM13.9 million in the preceding quarter of 2023.

The increase in revenue in the current quarter is mainly due to higher vessel utilisation at 76% as compared to 69% in the preceding quarter, coupled with higher third-party vessel chartering and better chargeable ancillary services that almost doubled the revenue achieved during the last quarter.

The much higher profit before tax posted in the current quarter was mainly contributed by the lower net realised/unrealised foreign exchange loss of RM1.0 million in the current quarter as compared to a net realised/unrealised foreign exchange loss of RM18.5 million registered in the second quarter. In addition, activities from chartering of third-party vessels and ancillary chartering business, also contributed positively toward the profit achieved during the quarter.

The profit after taxation in the current quarter has taken into account tax expenses amounting to RM7.7 million (see Note 21).

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The Offshore Supply Vessels (OSVs) market in Malaysia is continuing to show signs of strength, driven by favourable crude oil prices, an increase in offshore activities, and the continued tightening supply of OSVs.

The US Energy Information Administration (EIA) October 2023 report forecasted that the Brent Crude spot price would average \$84.09 per barrel this year and \$94.91 per barrel next year.

In terms of industry outlook, a major local investment bank in their October 2023 report saw a robust and appealing outlook for oil and gas services and equipment players involved in global floating production storage and offloading, regional drilling rigs, and local offshore support vessels. They expected the elevated oil price environment to remain in the medium term as the oil and gas industry (O&G) is in a severely underinvested phase, coupled with a record-high demand for oil in 2023 and 2024.

Even though the OSV markets saw higher utilisation and charter rates for the offshore chartering segment of the O&G up to the third quarter of 2023, we are still cautiously optimistic due to the current geopolitical dynamics, especially the Middle East tension, the uncertainty of USD/MYR exchange rates, as well as rising inflation and interest rates. Moving forward, we will leverage our strengths and improved efficiency to remain sustainable and relevant in the long term.

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**20. Loss for the Quarter / Period**

	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-22 RM'000</b>	<b>Current Period-to-date Ended 30-Sep-23 RM'000</b>	<b>Corresponding Period-to-date Ended 30-Sep-22 RM'000</b>
<b>Profit/(Loss) for the quarter / period is arrived at after charging / (crediting):</b>				
Depreciation of property, plant and equipment	19,941	13,035	46,774	43,414
Reversal impairment loss on receivables	-	-	(1,677)	(1,407)
Interest expense	2,376	2,145	6,852	6,098
Interest income	(249)	(131)	(592)	(409)
Loss on foreign exchange:				
- realised	88	223	336	323
- unrealised	936	10,734	19,385	14,500

Save for the above, there were no write-offs of inventories, gain or loss on disposal of quoted or unquoted investments or properties, other income including investment income and exceptional items for the current quarter and financial period ended 30 September 2023.

**21. Taxation**

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

	<b>Current Quarter Ended 30-Sep-23 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-22 RM'000</b>	<b>Current Period Ended 30-Sep-23 RM'000</b>	<b>Corresponding Period Ended 30-Sep-22 RM'000</b>
<b>Current tax expense:</b>				
Malaysian - current year	8000	146	13,860	616
- prior year	(66)	10	(66)	10
	7,934	156	13,794	626
<b>Deferred tax (income)/expenses:</b>				
Origination and reversal of temporary differences	(266)	3,383	(2,353)	3,383
<b>Total Tax Expense</b>	<b>7,668</b>	<b>3,539</b>	<b>11,441</b>	<b>4,009</b>

For the current quarter ended 30 September 2023, the Group has recorded net tax expenses of RM7.7 million mainly due to provision of taxation of RM7.9 million arising from the profit generated during the period while countering to some extent were the marginally higher unrealised foreign exchange loss that resulted in deferred tax income of RM 0.3 million.

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**22. Corporate Proposals**

There were no corporate proposals announced but not completed as at 14 November 2023, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

**23. Borrowings**

Total Group's borrowings as at 30 June 2023 were as follows:

	As at Current Period Ended 30-Sep-2023					
	Non-current		Current		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured</b>						
- Term loans	4,148	19,466	2,709	12,714	7,848	32,180
- Finance lease	-	145	-	62	-	207
<b>Total</b>	<b>4,148</b>	<b>19,611</b>	<b>2,709</b>	<b>12,776</b>	<b>7,848</b>	<b>32,387</b>

Exchange rate (USD: MYR) at USD1: MYR4.693 (Source of reference: Bank Negara Malaysia website)

Total Group's borrowings as at 31 December 2022 were as follows:

	As at Year Ended 31-Dec-2022					
	Non-current		Current		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured</b>						
- Term loans	5,866	25,899	3,964	17,501	9,830	43,400
- Islamic facility	-	6,551	-	2,357	-	8,908
- Finance lease	-	192	-	61	-	253
<b>Total</b>	<b>5,866</b>	<b>32,642</b>	<b>3,964</b>	<b>19,919</b>	<b>9,830</b>	<b>52,561</b>

Exchange rate (USD: MYR) at USD1: MYR4.415 (Source of reference: Bank Negara Malaysia website)

As at 30 September 2023, the total outstanding borrowings were RM32.4 million as compared to RM52.6 million as at 31 December 2022. The reduction in borrowings is due to the repayments, and full and final settlement of an Islamic financing facility.

The Group's borrowings are interest-bearing and denominated in both Ringgit Malaysia ("MYR") and United States Dollar ("USD"), as set out in the tables above. The Islamic facility of the Group is based on fixed interest rate whereas the term loans are based on floating interest rates.

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**24. Material Litigations**

Save as disclosed below, the Company and/or its subsidiaries are not presently engaged in any material litigation, material claim and arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Company and/or its subsidiaries.

Reference is made to the claim made by the former Directors of PPB, namely Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Datin Che Nariza Hajjar Hashim, Wong Fook Heng and Tiong Young Kong (the "Plaintiffs") on 7 August 2018 for the indemnification of legal fees they incurred in defending the prior suits brought by the Company against them.

On 29 May 2019, the High Court allowed the Plaintiff's claim against the Company for the cost incurred on an indemnity basis in defending the suits since 2009. The total amount to be paid by the Company to the Plaintiffs including the costs and the allocator fee was RM2,652,447.

On 27 June 2019, the Company filed a notice of appeal to the Court of Appeal against the decision made by the High Court. On 16 August 2021, the Court of Appeal allowed the Company's appeal for the High Court decision dated 29 May 2019 to be set aside and costs of RM30,000 were awarded to the Company. As a result, the Plaintiffs were required to refund the judgment sum of RM2,652,447 to the Company together with the costs of RM30,000.

The Plaintiffs then applied for leave to appeal to the Federal Court on 15 September 2021 and the Federal Court decision which was received by the Company on 3 March 2023 was made in favour of the Plaintiffs to set aside the decision of the Court of Appeal and upheld the decision of the High Court. The Company has been ordered to pay costs of RM100,000.00 and the allocator fee to the Plaintiffs.

On 10 September 2023, the Appellants sought further indemnification of legal fees of RM589,771.50 for the legal cost that has incurred for the Court of Appeal and Federal Court proceedings. The Company has, on 16 October 2023, made arrangements for the payment to the Appellants. This case is closed.

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No interim dividends have been declared for the current quarter under review.

No dividends were declared or paid for the financial year ended 31 December 2022.

**26. Earnings/(Loss) Per Share****a) Basic**

	<b>Current Quarter Ended 30-Sep-23</b>	<b>Corresponding Quarter Ended 30-Sep-22</b>	<b>Current Period-to-date Ended 30-Sep-23</b>	<b>Corresponding Period-to-date Ended 30-Sep-22</b>
Net profit/(loss) attributable to shareholders (RM'000)	22,759	11,414	23,148	(9,127)
Number of ordinary shares at the beginning of the quarter/period	2,217,418,991	2,216,623,941	2,217,418,991	2,216,623,941
Effect of conversion of RCPS to ordinary shares	678,246	174,398	678,246	174,398
Weighted average number of ordinary shares in issue	2,218,097,237	2,216,798,339	2,218,097,237	2,216,798,339
Basic earnings/(loss) per ordinary share (Sen)	1.03	0.51	1.04	(0.41)



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	<b>Current Quarter Ended 30-Sep-23</b>	<b>Corresponding Quarter Ended 30-Sep-22</b>	<b>Current Period-to-date Ended 30-Sep-23</b>	<b>Corresponding Period-to-date Ended 30-Sep-22</b>
Net profit/(loss) attributable to shareholders (RM'000)	22,759	11,414	23,148	(9,127)
Number of ordinary shares at the beginning of the quarter/period	2,217,418,991	2,216,623,941	2,217,418,991	2,216,623,941
Effect of conversion of RCPS to ordinary shares*	24,681,157	25,476,207	24,681,157	25,476,207
Weighted average number of ordinary shares in issue	2,242,100,148	2,242,100,148	2,242,100,148	2,242,100,148
Diluted earnings per ordinary share (Sen)	1.02	0.51	1.03	N/A

\*Diluted EPS is computed on the assumption that all outstanding RCPS outstanding at the end of a financial year are fully converted into ordinary shares on the first day of the following financial year.

The Company has on 31 December 2019 issued and allotted 1,463,629,199 RCPS that are convertible into new ordinary shares in the Company (see Note 7). As at the financial period ended 30 September 2023, only 22,034,189 RCPS have yet to be converted into ordinary shares.

*By Order of the Board*

*Jamalludin Bin Obeng  
Managing Director*

*Date: 21 November 2023*