



# **PERDANA PETROLEUM BERHAD**

Company No. 372113-A  
(Incorporated in Malaysia)

## **Interim Report for the Quarter Ended 31 December 2023**

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	-----Unaudited-----			
	Current Quarter Ended 31-Dec-23 RM'000	Corresponding Quarter Ended 31-Dec-22 RM'000	Current Year Ended 31-Dec-23 RM'000	Corresponding Year Ended 31-Dec-22 RM'000
Revenue	98,722	55,209	313,913	196,628
Cost of services	(75,049)	(44,607)	(220,731)	(163,435)
<b>Gross profit</b>	<b>23,673</b>	<b>10,602</b>	<b>93,182</b>	<b>33,193</b>
Other income	8,110	11,547	9,421	12,145
Administrative expenses	(4,604)	(4,262)	(14,395)	(12,956)
Other income / (expenses)	5,981	2,309	(14,199)	(11,615)
<b>Results from operating activities</b>	<b>33,160</b>	<b>20,196</b>	<b>74,009</b>	<b>20,767</b>
Finance income	27	253	256	263
Finance costs	(1,947)	(1,604)	(8,436)	(7,303)
Net finance costs	(1,920)	(1,351)	(8,180)	(7,040)
<b>Profit before tax</b>	<b>31,240</b>	<b>18,845</b>	<b>65,829</b>	<b>13,727</b>
Taxation	(9,973)	1,667	(21,414)	(2,342)
<b>Profit for the period/year</b>	<b>21,267</b>	<b>20,512</b>	<b>44,415</b>	<b>11,385</b>
<i>Other comprehensive (expenses)/income:</i>				
<i>Foreign currency translation</i>	(20,176)	42,208	36,644	84,428
<b>Total comprehensive income for the period/year attributable to Owners of the Company</b>	<b>1,091</b>	<b>62,720</b>	<b>81,059</b>	<b>95,813</b>
<b>Profit for the period/year attributable to:</b>				
Owners of the Company	21,267	20,512	44,415	11,385
<b>Total comprehensive income for the period/year attributable to:</b>				
Owners of the Company	<b>1,091</b>	<b>62,720</b>	<b>81,059</b>	<b>95,813</b>
<b>Earnings per share (Sen)</b>				
a) Basic	0.96	0.93	2.00	0.51
b) Diluted	0.95	0.91	1.98	0.51

(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)  
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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2023**

**STATEMENT OF FINANCIAL POSITION**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	683,693	695,648
Capital work in progress	12,785	-
Right of use assets	295	-
Deposits	-	11,087
Deferred tax assets	6,246	7,240
	703,019	713,975
<b>CURRENT ASSETS</b>		
Inventories	4,273	2,823
Trade and other receivables	124,042	51,212
Deposits and prepayments	6,190	3,483
Current tax assets	3,702	5,847
Cash and cash equivalents	66,644	45,428
	204,851	108,793
<b>TOTAL ASSETS</b>	<b>907,870</b>	<b>822,768</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	885,198	885,198
Reserves	(218,810)	(299,869)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>666,388</b>	<b>585,329</b>
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<b>666,388</b>	<b>585,329</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	16,703	32,642
Right of use lease	301	-
Trade and other payables	95,056	118,453
Deferred tax liabilities	5,545	1,909
	117,605	153,004
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	10,444	19,919
Trade and other payables	107,210	63,056
Current tax liabilities	6,223	1,460
	123,877	84,435
<b>TOTAL LIABILITIES</b>	<b>241,482</b>	<b>237,439</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>907,870</b>	<b>822,768</b>
<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 FOURTH QUARTER  
ENDED 31 DECEMBER 2023**

**STATEMENT OF CASH FLOWS**

	<b>(Unaudited) Year Ended 31-Dec-23 RM'000</b>	<b>(Audited) Year Ended 31-Dec-22 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	65,829	13,727
<i>Adjustments for:</i>		
(Reversal of)/Net impairment loss on financial assets	(1,239)	270
Reversal of impairment loss on property, plant and equipment	(7,991)	(11,363)
Depreciation of property, plant and equipment	50,776	60,611
Depreciation of right of use assets	417	-
Gain on disposal of property, plant and equipment	-	(1,161)
Finance costs	8,436	7,303
Finance income	(256)	(263)
Unrealised loss on foreign exchange	12,416	10,391
<b>Operating profit before changes in working capital</b>	<b>128,388</b>	<b>79,515</b>
<i>Changes in working capital:</i>		
Inventories	(1,449)	2,074
Trade and other receivables, deposits and prepayments	(73,037)	(590)
Trade and other payables	32,920	(12,653)
<b>Cash generated from operations</b>	<b>86,822</b>	<b>68,346</b>
Income tax received	2,435	333
Income tax paid	(12,402)	(1,627)
<b>Net cash from operating activities</b>	<b>76,855</b>	<b>67,052</b>
<b>Cash flows for investing activities</b>		
Interest received	256	55
Proceeds from disposal of property, plant and equipment	-	19,749
Work-in progress	(12,785)	-
Refundable deposits refunded	11,087	-
Purchase of property, plant and equipment	(4,559)	(4,812)
<b>Net cash (used in)/generated from investing activities</b>	<b>(6,001)</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	(8,221)	(7,732)
Repayment of secured term loans	(9,884)	(9,549)
Repayment of hire purchase liability	(61)	(58)
Repayment to a related company	(19,976)	(32,234)
Interest paid	(11,393)	(13,087)
<b>Net cash used in financing activities</b>	<b>(59,990)</b>	<b>(65,017)</b>
Net increase in cash and cash equivalents	10,864	17,027
Effect of exchange rate movements	10,352	4,958
Cash and cash equivalents at the beginning of the financial year	45,428	23,443
Cash and cash equivalents at the end of the financial year	<b>66,644</b>	<b>45,428</b>
<b>Cash and cash equivalents</b>		
Short term repo placement	28,000	35,624
Cash on hand and at banks	38,644	9,804
	<b>66,644</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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company						Total Equity
	----- Non-distributable -----						
	Ordinary Share Capital	Redeemable Convertible Preference Shares	Other Capital Reserve	Translation Reserve	Accumulated Losses	Sub Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Financial year ended 31 December 2023 (Unaudited)</b>							
<b>As at 1 January 2023</b>	877,204	7,994	1,635	140,583	(442,087)	585,329	585,329
Total transactions with owners of the Company	937	(937)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	36,644	44,415	81,059	81,059
<b>Balance as at 31 December 2023</b>	<b>878,141</b>	<b>7,057</b>	<b>1,635</b>	<b>177,227</b>	<b>(397,672)</b>	<b>666,388</b>	<b>666,388</b>
<b>Financial year ended 31 December 2022 (Audited)</b>							
<b>As at 1 January 2022</b>	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 FOURTH QUARTER  
ENDED 31 DECEMBER 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**

The utilisation rate of the Group's vessels is 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 year, other income mainly comprises a reversal of impairment loss on property, plant and equipment of RM8.0 million and, reversal of impairment loss on receivables of RM1.2 million. Other expenses comprise net realised/unrealised foreign exchange loss of RM12.1 million, whereas other comprehensive income includes foreign currency translation gain of RM36.6 million.

**INTERIM FINANCIAL REPORT FOR THE FOURTH 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 Anchor Handling Tug Supply (AHTS) vessels 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").

Following the revision, PPB has revised the useful lives of AHTS to 20 years, and this has resulted in a reduction in the depreciation charges for the vessels.

With the above revision and the improving prospects of the oil market, the Group re-assessed the value-in-use, and where appropriate the fair value less cost to sell, of the AHTS and other vessels, following which a net reversal of provision for impairment loss on property, plant and equipment of RM8.0 million was made for the quarter and year ended 31 December 2023, whereas a reversal of provision for impairment loss of RM11.4 million was made last year.

**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 2,883,268 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 1,441,831,310 as at 31 December 2023 and the number of RCPS yet to be converted as at that date is 21,797,889.

**8. Dividends Paid**

No dividend has been declared or paid for the financial year ended 31 December 2023.



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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
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	<b>Marine Offshore Support Services</b>	
	<b>Current Quarter Ended 31-Dec-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>
<b>Segment profit</b>	33,788	5,406
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	98,722	55,209
Inter-segment revenue	70,307	65,405
Depreciation and amortization	(3,992)	(17,159)
Reversal on impairment loss on property, plant and equipment	7,991	11,363
Finance costs	(699)	(722)
Finance income	18	44
Unrealised foreign exchange gain/(loss)	6,078	(11,042)

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

<b>Profit or loss</b>		
Total profit for reportable segments	33,788	5,406
Other non-reportable segments	38,641	(2,700)
Elimination of inter-segments	(41,189)	16,139
Consolidated profit before tax	31,240	18,845

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
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	<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>Current Quarter Ended 31 Dec 2023</b>				
Total reportable segments	98,722	(3,992)	(699)	18
Other non-reportable segments	-	(427)	(1,365)	126
Elimination of inter-segment	-	-	117	(117)
Consolidated total	<u>98,722</u>	<u>(4,419)</u>	<u>(1,947)</u>	<u>27</u>

	<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>Corresponding Quarter Ended 31 Dec 2022</b>				
Total reportable segments	55,209	(17,159)	(722)	44
Other non-reportable segments	-	(38)	(882)	209
Consolidated total	<u>55,209</u>	<u>(17,197)</u>	<u>(1,604)</u>	<u>253</u>

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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 Year versus Corresponding Year**

	<b>Marine Offshore Support Services</b>	
	<b>Current Year Ended 31-Dec-23 RM'000</b>	<b>Corresponding Year Ended 31-Dec-22 RM'000</b>
<b>Segment profit</b>	76,832	21,917
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	313,913	196,628
Inter-segment revenue	280,885	252,770
Depreciation and amortization	(50,679)	(60,477)
Reversal of impairment loss on property, plant and equipment	7,991	11,363
Finance costs	(3,239)	(2,258)
Finance income	216	55
Unrealised foreign exchange loss	(10,790)	(9,391)
<b>Segment assets</b>	924,376	1,117,128
<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	76,832	21,917
Other non-reportable segments	30,176	(8,179)
Elimination of inter-segments	(41,179)	(11)
Consolidated profit before tax	65,829	13,727

**PERDANA PETROLEUM BERHAD**(Company No: 372113-A)  
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	<b>External revenue RM'000</b>	<b>Depreciation and amortization RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>	<b>Segment assets RM'000</b>
<b>As at 31 Dec 2023</b>					
Total reportable segments	313,913	(50,679)	(3,239)	216	924,376
Other non-reportable segments	-	(514)	(5,678)	521	689,065
Elimination of inter- segment transactions or balances	-	-	481	(481)	(705,571)
<b>Consolidated total</b>	<b>313,913</b>	<b>(51,193)</b>	<b>(8,436)</b>	<b>256</b>	<b>907,870</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>
<b>As at 31 Dec 2022</b>					
Total reportable segments	196,628	(60,477)	(2,258)	55	1,117,128
Other non-reportable segments	-	(134)	(5,045)	208	675,089
Elimination of inter- segment transactions or balances	-	-	-	-	(969,449)
<b>Consolidated total</b>	<b>196,628</b>	<b>(60,611)</b>	<b>(7,303)</b>	<b>263</b>	<b>822,768</b>

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**INTERIM FINANCIAL REPORT FOR THE FOURTH 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 31-Dec-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>
<b>Major service line</b>		
Catering services	8,020	4,862
<b>Timing of recognition</b>		
At a point in time	8,020	4,862

**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)**

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.

The Group recorded a lower accumulated impairment loss for PPE as at 31 December 2023 of USD48.5 million (equivalents to RM223 million) as compared to USD 50.3 million (equivalents to RM222 million) as at 31 December 2022 due mainly to the reversal of an impairment loss as explained in Note 6 above and the effect of 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 31 December 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 31 December 2023.

**14. Contingent Liabilities**

a) The following are the contingent liabilities of the Group as at 31 December 2023:

	As at 31-Dec-23	
	Group RM'000	Company RM'000
<b><u>Contingent liabilities not considered remote</u></b>		
Corporate guarantees favouring banks for facilities granted to:		
- holding company	-	-
- subsidiaries	-	26,955
	-	26,955

The Corporate guarantees favouring banks for facilities granted to the holding company were fully discharged during the financial year ended 31 December 2023.

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

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

- b) i) 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 increase the premiums at the next renewal, the quantum of which currently cannot be ascertained.

- ii) In the fourth quarter of 2023 there was an incident involving one of our offshore support vessels chartered to a client while being used by the client. The mutual insurance association providing indemnity cover has been notified and the investigation together with our client is still ongoing.

As this incident is still under investigation, the cost of the alleged damage cannot be ascertained at this juncture.

All the Group’s legal rights are reserved.

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 31 December 2023 are as follows:

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>RM’000</b>	<b>RM’000</b>
Approved but not contracted for	18,678	13,778
Approved and contracted for	15,370	14,922
	<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 31-Dec-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>
<b>Company</b>		
i. Subsidiaries:		
- management fees income	648	423
ii. Related party:		
- interest expense	1,346	682
<b>Group</b>		
i. Related party:		
- vessel charter income	533	8,818
- interest expense	1,346	682

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 31-Dec-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>
Short-term employee benefits	427	373



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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****17. Review of Financial Performance****Current Quarter versus Preceding Year's 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>31-Dec-23</b>	<b>31-Dec-22</b>		
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	98,722	55,209	43,513	79
Gross Profit	23,673	10,602	13,071	123
Profit Before Interest and Taxation	33,160	20,196	12,964	64
Profit Before Taxation	31,240	18,845	12,395	66
Profit After Taxation	21,267	20,512	755	4
Profit Attributable to Ordinary Equity Holders of the Company	21,267	20,512	755	4

For the current quarter ended 31 December 2023, the Group has recorded a higher revenue of RM98.7 million and a profit before tax of RM31.2 million, as compared to a revenue of RM55.2 million and a profit before tax of RM18.8 million in the fourth quarter of 2022.

The higher revenue achieved in the fourth quarter of 2023, despite lower utilisation rates of 53% as compared to 60% achieved for the same period last year, 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.

The profit before tax of RM31.2 million for the current quarter, as compared to a profit of RM18.8 million last year, was achieved mainly on reduced depreciation charges (Note 6) better contribution from the chartering of third-party vessels as well as ancillary chartering services activities and reduction in net realised/unrealised foreign exchange loss in the current quarter.

The profit after tax of RM21.3 million in the current quarter was arrived at after taking into account tax expenses amounting to RM10.0 million (see Note 21).

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	<b>Current Year Ended 31-Dec-23 RM'000</b>	<b>Corresponding Year Ended 31-Dec-22 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	313,913	196,628	117,285	60
Gross Profit	93,182	33,193	59,989	181
Profit Before Interest and Taxation	74,009	20,767	53,242	256
Profit Before Taxation	65,829	13,727	52,102	380
Profit After Taxation	44,415	11,385	33,030	290
Profit Attributable to Ordinary Equity Holders of the Company	44,415	11,385	33,030	290

For the financial period year ended 31 December 2023, the Group recorded a 60% higher revenue of RM313.9 million and a profit before tax of RM65.8 million, as compared to a revenue of RM196.6 million and a profit before tax of RM13.7 million for the financial year ended 31 December 2022.

The higher revenue was mainly the result of much improved daily charter rates on the back of a comparable vessel utilisation rate of 58% against last year. In addition, higher revenue generated from third-party vessel chartering activities and better chargeable ancillary services also help to boost the revenue for the year.

The Group posted a higher profit before tax of RM65.8 million for the year ended 31 December 2023 as compared to a profit before tax of RM13.7 million achieved last year. The better profit was achieved on the back of better margins from the revenue streams mentioned above. Countering to some extents were the higher other expenses mainly on net realised/unrealised foreign exchange loss (RM12.1 million vs RM11.2 million) and marginally higher interest expenses.

The profit after tax for the year ended 31 December 2023 stood at RM44.4 million as compared to a profit of RM11.4 million last year. Some RM21.4 million of tax expenses have been provided in arriving at the profit. (see Note 21).

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****18. Financial Review for Current Quarter Compared with Preceding Quarter**

	<b>Current Quarter Ended 31-Dec-23 RM'000</b>	<b>Preceding Quarter Ended 30-Sep-23 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	98,722	103,923	(5,201)	(5)
Gross Profit	23,673	37,720	(14,047)	(37)
Profit Before Interest and Taxation	33,160	32,554	606	2
Profit Before Taxation	31,240	30,427	813	3
Profit After Taxation	21,267	22,759	(1,492)	(7)
Profit Attributable to Ordinary Equity Holders of the Company	21,267	22,759	(1,492)	(7)

The Group recorded a lower revenue of RM98.7 million and a profit before tax of RM31.2 million in the current quarter, as compared to a revenue of RM103.9 million and a profit before tax of RM30.4 million in the preceding quarter of 2023.

The lower revenue in the current quarter is mainly due to lower vessel utilisation at 53% as compared to 76% in the preceding quarter which is consistent with previous years due to monsoon and dry-docking exercises involving three (3) AHTS in the last quarter of 2023. The revenue would be much lower if not for the higher daily charter rates and higher third-party vessel chartering in the said quarter.

The profit before tax recorded in the current quarter has taken into account a reversal of the impairment loss on property, plant and equipment of RM8.0 million and reduction of depreciation charges arising from the revision of AHTS useful life (Note 6). In addition, the Group registered a net realized/unrealized foreign exchange gain of RM7.6 million for the current quarter as compared to a loss of RM1.0 million in the preceding quarter.

The profit after taxation in the current quarter has taken into account tax expenses amounting to RM10.0 million (see Note 21).

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**19. Prospects**

The EIA's January 2024 Energy Outlook forecasted the benchmark Brent Crude price to average USD 82 per barrel in 2024 on the expectations that global supply and demand will be relatively balanced, and the market looked well supplied because of strong growth outside the OPEC producer group.

Against the complexity of energy transition, PETRONAS released in December 2023 the "Petronas Activity Outlook 2024-2026", projecting a steady outlook for Malaysian offshore activities which will likely see an increase in drilling, development and maintenance project activities, thus auguring well for the offshore support vessels (OSV) markets. Offshore Support Vessels are also expected to be relatively robust with the continued tightening of the supply of OSVs.

Even though there was a visibility of the OSV market growth which gave rise to higher utilization and charter rates for the offshore chartering segment of the Oil and Gas Industry in 2023, we are still cautiously optimistic given the uncertainty in the outlook due to the current geo-political dynamics, especially the Middle East tensions, the uncertainty of USD/MYR exchange rate as well as rising inflation. Moving forward, we will continue to manage our operations prudently to adapt to the rapidly evolving environment and will leverage our strength and improved efficiency to remain sustainable and relevant in the long term.

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	<b>Current Quarter Ended 31-Dec-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>	<b>Current Year Ended 31-Dec-23 RM'000</b>	<b>Corresponding Year Ended 31-Dec-22 RM'000</b>
<b>Profit for the quarter / year is arrived at after charging / (crediting):</b>				
Depreciation of property, plant and equipment	4,419	17,197	51,193	60,611
Net/(Reversal) impairment loss on receivables	-	1,677	(1,239)	270
Reversal of impairment loss on Property, plant and equipment	(7,991)	(11,363)	(7,991)	(11,363)
Finance interest	1,947	1,604	8,436	7,303
Finance income	(27)	(253)	(256)	(263)
(Gain)/Loss on foreign exchange:				
- realised	(618)	479	(281)	802
- unrealised	(6,969)	(4,109)	12,416	10,391

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 31 December 2023.

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

	<b>Current Quarter Ended 31-Dec-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>	<b>Current Year Ended 31-Dec-23 RM'000</b>	<b>Corresponding Year Ended 31-Dec-22 RM'000</b>
<b>Current tax expense:</b>				
Malaysian - current year	3,000	1,408	16,860	2,024
- prior year	(12)	(565)	(78)	(555)
	<b>2,988</b>	<b>843</b>	<b>16,782</b>	<b>1,469</b>
<b>Deferred tax (income)/expenses:</b>				
Origination and reversal of temporary differences	6,985	(2,510)	4,632	873
<b>Total Tax Expense</b>	<b>9,973</b>	<b>(1,667)</b>	<b>21,414</b>	<b>2,342</b>

The Group posted a tax charge of RM10.0 million and RM21.4 million, for the current quarter and for the year ended 31 December 2023, respectively. The tax charge for the year is higher than the statutory tax rate due principally to the incurrence of non-deductible expenses such as unrealised foreign exchange losses and recharter fee. The tax charge would have been higher if not because of the lower tax rate imposed on the chargeable profits of the Labuan subsidiaries of the Group.

**22. Corporate Proposals**

There were no corporate proposals announced but not completed as of 14 February 2024, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

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Total Group's borrowings as at 31 December 2023 were as follows:

	As at Current Period Ended 31-Dec-2023					
	Non-current		Current		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured</b>						
- Term loans	3,607	16,574	2,259	10,381	5,866	26,955
- Finance lease	-	129	-	63	-	192
<b>Total</b>	<b>3,607</b>	<b>16,703</b>	<b>2,259</b>	<b>10,444</b>	<b>5,866</b>	<b>27,147</b>

Exchange rate (USD: MYR) at USD1: MYR4.595 (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 31 December 2023, the total outstanding borrowings were RM27.1 million as compared to RM52.6 million as at 31 December 2022. The reduction in borrowings is due to scheduled 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 the United States Dollar ("USD"), as set out in the tables above. The Islamic facility of the Group was based on a 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 Per Share****a) Basic**

	<b>Current Quarter Ended 31-Dec-23</b>	<b>Corresponding Quarter Ended 31-Dec-22</b>	<b>Current Period-to-date Ended 31-Dec-23</b>	<b>Corresponding Period-to-date Ended 31-Dec-22</b>
Net profit attributable to shareholders (RM'000)	21,267	20,512	44,415	11,385
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	1,376,922	300,204	1,376,922	300,204
Weighted average number of ordinary shares in issue	2,218,795,913	2,216,924,145	2,218,795,913	2,216,924,145
Basic earnings per ordinary share (Sen)	0.96	0.93	2.00	0.51

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	<b>Current Quarter Ended 31-Dec-23</b>	<b>Corresponding Quarter Ended 31-Dec-22</b>	<b>Current Period-to-date Ended 31-Dec-23</b>	<b>Corresponding Period-to-date Ended 31-Dec-22</b>
Net profit attributable to shareholders (RM'000)	21,267	20,512	44,415	11,385
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)	0.95	0.91	1.98	0.51

\*Diluted EPS is computed on the assumption that all outstanding RCPS 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 31 December 2023, only 21,797,889 RCPS have yet to be converted into ordinary shares.

*By Order of the Board*

*Jamalludin Bin Obeng  
Managing Director*

*Date: 21 February 2024*