



# **PERDANA PETROLEUM BERHAD**

Company No. 372113-A  
(Incorporated in Malaysia)

## **Interim Report for the Quarter Ended 31 December 2016**

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



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Current Quarter Ended 31-Dec-16 RM'000 (Unaudited)</b>	<b>Corresponding Quarter Ended 31-Dec-15 # RM'000 (Unaudited)</b>	<b>Current Year-to-date Ended 31-Dec-16 RM'000 (Unaudited)</b>	<b>Corresponding Year-to-date Ended 31-Dec-15 # RM'000 (Audited)</b>
Revenue	47,370	48,606	191,711	228,194
Cost of Sales	(41,163)	(19,070)	(154,372)	(168,294)
Gross Profit	6,207	29,536	37,339	59,900
Other income	49,848	22,649	79,630	30,667
Administrative expenses	(52,339)	(98,133)	(78,864)	(148,936)
<b>Results from operating activities</b>	3,716	(45,948)	38,105	(58,369)
Finance costs	(15,032)	(32,213)	(74,054)	(56,558)
Loss before taxation	(11,316)	(78,161)	(35,949)	(114,927)
Income tax income/(expense)	13,845	(2,009)	6,010	(3,541)
<b>Profit/(Loss) for the period/year</b>	2,529	(80,170)	(29,939)	(118,468)
<i>Other comprehensive income/(expense)</i>				
<i>Foreign currency translation</i>	51,014	(19,062)	26,799	145,512
<i>Cash Flow Hedge</i>	355	480	267	385
<b>Total Comprehensive Income/(Expenses) for the period attributable to Owners of the Company</b>	53,898	(98,752)	(2,873)	27,429
<b>Profit/(Loss) for the period/year</b>				
Attributable to:				
Equity holders of the Company	2,534	(80,172)	(29,933)	(118,917)
Non-controlling interest	(5)	2	(6)	449
	2,529	(80,170)	(29,939)	(118,468)
<b>Total Comprehensive Income/(Expenses) for the period</b>				
Attributable to:				
Equity holders of the Company	53,905	(98,755)	(2,866)	27,009
Non-controlling interest	(7)	3	(7)	420
	53,898	(98,752)	(2,873)	27,429
<b>Loss per share of RM0.50 each (Sen)</b>				
a) Basic (based on weighted average)	0.33	(10.31)	(3.85)	(15.77)
b) Fully diluted	N/A	N/A	N/A	N/A

# The comparative amounts have been adjusted and reclassified to conform with the audited financial statement's presentation

(The Condensed Consolidated 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 2015)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31-Dec-16 RM'000	(Audited) 31-Dec-15 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,529,237	1,596,247
Intangible assets	10,722	10,724
Refundable deposits	47,463	75,358
Deferred tax assets	13,250	46
Derivative asset	190	-
	<u>1,600,862</u>	<u>1,682,375</u>
<b>CURRENT ASSETS</b>		
Inventories	1,369	1,331
Trade receivables - related company	1,482	9,624
Trade receivables - external parties	17,501	28,206
Other receivables, deposits and prepayments	13,717	21,219
Tax recoverable	6,205	1,328
Fixed deposits with licensed banks	67,548	22,266
Cash and bank balances	6,747	24,431
	<u>114,569</u>	<u>108,405</u>
<b>TOTAL ASSETS</b>	<u>1,715,431</u>	<u>1,790,780</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	389,235	389,235
Reserves	352,299	355,165
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>741,534</u>	<u>744,400</u>
<b>NON-CONTROLLING INTEREST</b>	136	143
<b>TOTAL EQUITY</b>	<u>741,670</u>	<u>744,543</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	694,277	625,295
Deferred tax liabilities	3,202	4,213
Derivative liability	-	77
	<u>697,479</u>	<u>629,585</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	202,830	373,509
Trade payables	14,753	15,817
Other payables - related company	19,488	607
Other payables - external parties	39,151	26,393
Current tax liabilities	60	326
	<u>276,282</u>	<u>416,652</u>
<b>TOTAL LIABILITIES</b>	<u>973,761</u>	<u>1,046,237</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,715,431</u>	<u>1,790,780</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	0.95	0.96

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015)

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>(Unaudited) 31-Dec-16 RM'000</b>	<b>(Audited) 31-Dec-15 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(35,949)	(114,927)
<i>Adjustments for:</i>		
Provision for impairment loss on property, plant and equipment	5,769	28,065
Bad debts written off	39	2
Depreciation of property, plant and equipment	87,664	83,801
Interest expense	74,054	56,558
Interest income	(2,308)	(2,273)
Gain on disposal of property, plant and equipment	-	(39)
Fair value gain on settlement of refundable deposit	(1,065)	-
Property, plant and equipment written off	-	36,554
Unrealised (gain)/loss on foreign exchange	(75,615)	1,142
Allowance for impairment loss on receivables	37,695	-
<b>Operating profit before changes in working capital</b>	<u>90,284</u>	<u>88,883</u>
<i>Changes in working capital:</i>		
Inventories	(37)	457
Trade and other receivables	14,750	18,564
Trade and other payables	95,484	378
<b>Cash generated from operations</b>	<u>200,481</u>	<u>108,282</u>
Tax paid	(9,683)	(1,906)
<b>Net cash from operating activities</b>	<u>190,798</u>	<u>106,376</u>
<b>Cash flows for investing activities</b>		
Interest received	2,203	900
Proceeds from disposal of property, plant and equipment	-	198
Refundable deposits refunded	26,999	-
Purchase of property, plant and equipment	(352)	(21,904)
Placement of fixed deposits	(37,982)	(3,714)
<b>Net cash used in investing activities</b>	<u>(9,132)</u>	<u>(24,520)</u>

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>(Unaudited)</b> <b>31-Dec-16</b> <b>RM'000</b>	<b>(Audited)</b> <b>31-Dec-15</b> <b>RM'000</b>
<b>Cash flows from financing activities</b>		
Drawdown of Sukuk bonds	635,000	-
Interest paid	(74,054)	(56,558)
Proceeds from issuance of shares through warrant exercise	-	28,307
Repayment of term loans	(577,476)	(124,170)
Repayment of revolving credit	(2,000)	(15,000)
Repayment of finance lease liability obligations	(163,701)	(23,425)
<b>Net cash used in financing activities</b>	<u>(182,231)</u>	<u>(190,846)</u>
Net decrease in cash and cash equivalents	(565)	(108,990)
Effect of foreign exchange translation	(9,819)	52,769
Cash and cash equivalents at the beginning of the financial year	26,751	82,972
Cash and cash equivalents at the end of the financial year	<u>16,367</u>	<u>26,751</u>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed banks	67,548	22,266
Cash and bank balances	6,747	24,431
	<u>74,295</u>	<u>46,697</u>
Less: Fixed deposits pledged as security	(57,928)	(19,946)
	<u>16,367</u>	<u>26,751</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction  
with the audited financial statements of the Group for the financial year ended 31 December 2015)**

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company							Distributable	Non-Controlling Interest	Total Equity	
	[----- Non - distributable -----]										
	Share Capital	Share Application Monies	Share Premium	Warrant Reserve	Cash Flow Hedge Reserve	Other Capital Reserve	Translation Reserve	Retained Profits	Total		
	RM'000	RM'000	1529237	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Financial period ended 31 Decemmbber 2016 (Unaudited)</b>											
As at 1 January 2016	389,235	-	21,984	-	(77)	1,635	111,171	220,452	744,400	143	744,543
Total comprehensive expenses for the period	-	-	-	-	267	-	26,800	(29,933)	(2,866)	(7)	(2,873)
<b>Balance as at 31 December 2016</b>	<b>389,235</b>	<b>-</b>	<b>1,482</b>	<b>-</b>	<b>190</b>	<b>1,635</b>	<b>137,971</b>	<b>190,519</b>	<b>741,534</b>	<b>136</b>	<b>741,670</b>
			13,907								
<b>Financial year ended 31 December 2015 (Audited)</b>											
As at 1 January 2015	369,285	10	8,404	5,213	(462)	1,635	(34,370)	339,369	689,084	(277)	688,807
Issuance of shares - Exercise of Warrants 2010/2015	19,950	(10)	13,580	(5,213)	-	-	-	-	28,307	-	28,307
Total comprehensive income/(expenses) for the period	-	-	-	-	385	-	145,541	(118,917)	27,009	420	27,429
<b>Balance as at 31 December 2015</b>	<b>389,235</b>	<b>-</b>	<b>21,984</b>	<b>-</b>	<b>(77)</b>	<b>1,635</b>	<b>111,171</b>	<b>220,452</b>	<b>744,400</b>	<b>143</b>	<b>744,543</b>

(The Condensed 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 2015)

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

**1. Basis of Preparation**

The interim financial statements 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 2015. 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 2015.

**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 2015, except for the adoption of the following Accounting Standards, Amendments and Interpretations from 1 January 2016:

<b>MFRS/Amendments/ Interpretations</b>	<b>Effective Date</b>
Amendments to MFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 7, <i>Financial Instruments: Disclosures - (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> , MFRS 12, <i>Disclosure of Interests in Other Entities</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11: <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 101, <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 138, <i>Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 141, <i>Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 119, <i>Employee Benefits (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016

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

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

<b>MFRS/Amendments/ Interpretations</b>	<b>Effective Date</b>
Amendments to MFRS 127, <i>Separate Financial Statements - Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016

The adoption of the above Accounting Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group.

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

<b>MFRS/Amendments/ Interpretations</b>	<b>Effective Date</b>
Amendments to MFRS 107, <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112, <i>Recognition of Deferred Tax Assets for Unrealized Losses</i>	1 January 2017
MFRS 9, <i>Financial Instruments (2015)</i>	1 January 2018
MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 16, <i>Leases</i>	1 January 2019
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group plans to apply:

- from the annual period beginning on 1 January 2017, those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017, except for Amendments to MFRS 2, which is assessed as presently not applicable to the Group.
- from the annual period beginning on 1 January 2018 MFRS 9 and MFRS 15 which are effective for annual periods beginning on or after 1 January 2018.
- from the annual period beginning on 1 January 2019 Amendments to MFRS 16 which is effective for annual periods beginning on or after 1 January 2019.



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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)**

The initial application of the above accounting standards, amendments or interpretations is not expected to have any material financial impacts to the financial statements of the Group for the current and prior periods except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue Barter Transactions Involving Advertising Services*.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The adoption of MFRS 15 and MFRS 9 will result in a change in accounting policies. The Group is currently assessing the financial impact that may arise from the adoption of these accounting standards.

**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 2015.

**4. Seasonal or Cyclical Factors**

Seasonality due to weather is not foreseen to materially affect the Group's vessel chartering operations. However, due to its synergistic tie-up with Dayang, more than half of the Group's vessel fleet has been chartered to Dayang in 2016 and the latter's offshore topside maintenance operations are normally 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 to-date, except for the other income, administrative expenses and other comprehensive expense arising from realized/unrealized foreign exchange gain/loss as well as foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2016

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

**5. Unusual Items (Cont'd)**

During the current quarter and financial year to-date, the other income and administrative expenses comprises unrealized foreign exchange gain of RM41.4 million and RM75.6 million respectively and realized foreign exchange gain of RM7.5 million and realized foreign exchange loss of RM19.3 million respectively whereas the other comprehensive income/expenses include foreign currency translation gain of RM51.0 million and RM26.8 million respectively.

**6. Material Changes in Estimates**

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

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

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

**8. Dividends Paid**

No dividend has been declared or paid for the financial year ended 31 December 2016 and 2015.

**9. Segmental Information**

**Business Segment**

<i>Current Quarter Ended 31 Dec 2016</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	47,370	-	-	47,370
Inter-segment revenue	80,012	583	(80,595)	-
	<b>127,382</b>	<b>583</b>	<b>(80,595)</b>	<b>47,370</b>
<b>Results</b>				
Segment results	31,253	(65,672)	38,135	3,716
Finance costs	(11,924)	(10,395)	7,287	(15,032)
<b>Profit before taxation</b>	<b>19,329</b>	<b>(76,067)</b>	<b>45,422</b>	<b>(11,316)</b>

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

9. Segmental Information (Cont'd)

Business Segment (Cont'd)

<i>Corresponding Quarter Ended 31 Dec 2015</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	48,606	-	-	48,606
Inter-segment revenue	80,347	3,858	(84,205)	-
	128,953	3,858	(84,205)	48,606
<b>Results</b>				
Segment results	(45,536)	(3,155)	2,743	(45,948)
Finance costs	(32,435)	(297)	519	(32,213)
<b>Loss before taxation</b>	(77,971)	(3,452)	3,262	(78,161)

<i>Current Year-to-date Ended 31 Dec 2016</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	191,711	-	-	191,711
Inter-segment revenue	326,551	2,333	(328,884)	-
	518,262	2,333	(328,884)	191,711
<b>Results</b>				
Segment results	57,340	(80,082)	60,847	38,105
Finance costs	(64,727)	(29,372)	20,045	(74,054)
<b>Loss before taxation</b>	(7,387)	(109,454)	80,892	(35,949)

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

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

**Business Segment (Cont'd)**

<i>Corresponding Year-to-date Ended 31 Dec 2015</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	228,194	-	-	228,194
Inter-segment revenue	381,339	12,358	(393,697)	-
	<b>609,533</b>	<b>12,358</b>	<b>(393,697)</b>	<b>228,194</b>
<b>Results</b>				
Segment results	(43,634)	(5,679)	(9,056)	(58,369)
Finance costs	(57,444)	(1,180)	2,066	(56,558)
<b>Loss before taxation</b>	<b>(101,078)</b>	<b>(6,859)</b>	<b>(6,990)</b>	<b>(114,927)</b>

**10. Valuation of Property, Plant and Equipment (“PPE”)**

The Group reassessed its assets (except for inventories, deferred tax assets and financial assets) as at 31 December 2016 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 has adopted value-in-use (“VIU”) estimations for the reassessment which entail discounting the estimated future cash flows from the continuing use of PPE. The recoverable amounts were compared against the carrying amounts of the PPE.

For the current financial quarter ended 31 December 2016, the Group has made an additional allowance for impairment losses on PPE of USD2.6 million (equivalent to RM7.4 million). The provision for impairment losses has been increased from USD6.5 million (equivalent to RM28.1 million) as at 31 December 2015 to USD7.6 million (equivalent to RM34.3 million) as at 31 December 2016.

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

There were no material events subsequent to the current financial quarter ended 31 December 2016 up to the date of this report which is likely to substantially affect the financial results of the Group.

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

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

There were no changes in the composition of the Group for the current quarter ended 31 December 2016.

**13. Contingent Liabilities**

The following are the contingent liabilities outstanding as at 31 December 2016:

	<b>As at 31-Dec-16</b>	
	<b>Group RM'000</b>	<b>Company RM'000</b>
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	4,800	4,800
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	-	282,180
	<b>4,800</b>	<b>286,980</b>

Further to the conclusion of the tax audit for Year of Assessment (“YA”) 2007 to YA2010 as disclosed in Note 20, the Group is currently responding to the request by IRB to revise its tax computations for YA2011 to YA2015. The Group has engaged its tax agent to assist in the revision of the affected tax computations and assess the tax impacts thereof. The Group may need to provide for additional tax payable, if any, arising from the revision of the tax computations, the outcome of which cannot be ascertained at this present stage.

**14. Capital Commitments**

As at 31 December 2016, the Group has no outstanding or additional capital commitments which are approved and/or contracted for.

During the current quarter under review, the Group had cancelled the purchase of a 500-men accommodation work barge Hull No. SK317 (“Vessel”) since the Notices of Readiness had not been validly given by the seller by the due date and the Vessel was not in every respect physically ready for delivery in accordance with the terms and conditions of the Memorandum of Agreement. Both parties have since proceeded to arbitration as disclosed in Note 23(ii).

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

**15. Significant Related Party Transactions**

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

	<b>Current Quarter ended 31-Dec-16 RM'000</b>	<b>Corresponding Quarter ended 31-Dec-15 RM'000</b>
<b>Company</b>		
i. Subsidiaries:		
- rental income	44	95
- management income	539	3,763
- interest income	7,287	-
<b>Group</b>		
i. Related party:		
- charter income	22,138	17,650

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-16 RM'000</b>	<b>Corresponding Quarter ended 31-Dec-15 RM'000</b>
Short-term employee benefits	431	1,281

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**16. Review of Performance**

**Current Year Quarter versus Preceding Year Corresponding Quarter**

For the current quarter ended 31 December 2016, the Group has recorded a revenue of RM47.4 million and a loss before taxation of RM11.3 million, as compared to a revenue of RM48.6 million and a loss before taxation of RM78.2 million in the fourth quarter of year 2015.

The revenue recorded in the current quarter and corresponding quarter remained consistent with vessel utilization at 58% and 59% respectively. On the other hand, the improvement in the results before taxation in the current quarter as compared to the corresponding quarter is mainly due to the implementation of some cost-cutting initiative in the beginning of the year that has yielded positive results. In addition, the loss before taxation in the fourth quarter of 2015 had also taken into account expenses such as property, plant and equipment written off of RM36.5 million and impairment loss on property, plant and equipment of RM28.1 million, compared to the impairment loss on property, plant and equipment of RM7.4 million and allowance for impairment loss on receivables amounting to RM37.7 million that had been provided for in the current quarter.

**Current Year-to-Date versus Preceding Year-to-Date**

For the financial year ended 31 December 2016, the Group recorded a lower revenue of RM191.7 million and a loss before taxation of RM35.9 million as compared to the revenue of RM228.2 million and loss before taxation of RM114.9 million for the previous year ended 31 December 2015.

The lower revenue recognized is mainly due to lower vessel utilization at 58% for the financial year ended 31 December 2016, as compared to 63% in the corresponding year ended 31 December 2015, resulting from the slower work orders/contracts awarded from oil majors affected by the decline in crude oil prices during the first half of 2016. Notwithstanding that, the Group has recorded a lower loss before taxation for the financial year ended 31 December 2016 which is mainly attributed to a net foreign exchange gain of RM56.3 million as compared to a net foreign exchange loss of RM17.2 million incurred for the financial year ended 31 December 2015 and also as a result of the cost reduction initiative that was implemented at the beginning of 2016. This has yielded positive results. In addition, the loss before taxation in the previous year ended 31 December 2015 had also taken into account some expenses such as property, plant and equipment written off of RM36.5 million and impairment loss on property, plant and equipment of RM 28.1 million, compared to the impairment loss on property, plant and equipment of RM5.8 million and allowance for impairment loss on receivables amounting to RM37.7 million that had been provided for in the current financial year ended 31 December 2016.

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**17. Variation of Results against Preceding 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-16</b>	<b>30-Sep-16</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	47,370	52,952	(5,582)	-11
(Loss)/Profit before tax	(11,316)	6,687	(18,003)	-269

The Group recorded a lower revenue of RM47.4 million and a loss before taxation of RM11.316 million in the current quarter, as compared to the revenue of RM53.0 million and a profit before taxation of RM6.7 million for the preceding quarter.

The decrease in revenue is mainly attributable to lower vessel utilization at 58% in the current quarter as compared to 66% in the third quarter of year 2016, as a result of slower work orders/contracts award from oil majors during the monsoon season. Moreover, the Group's results before taxation has also deteriorated due to the provision of an additional impairment loss of RM7.4 million on property, plant and equipment and an allowance for impairment loss on receivables amounting to RM37.7 million provided for in the current quarter.

**18. Prospects**

The price of crude oil has gradually recovered by about 100% from a 13-year low of USD27 per barrel since January 2016 to about USD55 per barrel as at the beginning of February 2017. The measures taken by OPEC and non-OPEC members to curb production output have somewhat stabilised crude oil prices for now. This has also improved the general sentiment for the oil and gas players who are expected to increase spending in 2017. This invariably should provide more opportunities for the OSV chartering business and as such, the Group is looking positively towards attaining a higher vessel fleet utilisation in 2017.

Currently, the Group has also submitted a few tenders under direct and umbrella contracts with oil majors, both locally and regionally, and is hopeful for favourable outcome of these tenders. The Group continues to rely on its synergistic tie-ups with Dayang who is involved in the Hook-Up & Commissioning (HUC) and Topside Structural Maintenance (TSM) of mostly Brownfield sector. Though we cannot predict how the OSV market will perform, the Board remains vigilant in its pursuit for more longer-term charter opportunities and will continue to exercise due care in its endeavours.



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**19. Loss for the Quarter/Year**

	<b>Current Quarter Ended 31-Dec-16 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-15 # RM'000</b>	<b>Current Year-to-date Ended 31-Dec-16 RM'000</b>	<b>Corresponding Year-to-date Ended 31-Dec-15 # RM'000</b>
<b>Loss for the quarter is arrived at after charging/(crediting):</b>				
Provision for impairment loss on receivables	37,695	-	37,695	-
Bad debt written off	-	-	39	2
Depreciation of property, plant and equipment	23,068	35,668	87,664	83,801
Interest expense	15,032	32,213	74,054	56,558
Property, plant and equipment written off	-	36,464	-	36,554
Provision for impairment loss on property, plant and equipment	7,448	28,065	5,769	28,065
Gain on disposal of property, plant and equipment	-	(207)	-	(39)
Fair value gain on settlement of refundable deposit	-	-	(1,065)	-
Accretion of refundable deposits	-	782	(105)	(1,373)
Interest income	(924)	(134)	(2,203)	(900)
(Gain)/Loss on foreign exchange:				
- realised	(7,546)	6,011	19,260	16,113
- unrealised	(41,365)	(7,455)	(75,615)	1,142

Save for the above, there were no allowance for impairment loss 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 year ended 31 December 2016.

*# The comparative amounts have been adjusted and reclassified to conform with the audited financial statement's presentation.*

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

	<b>Current Quarter Ended 31-Dec-16 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-15 # RM'000</b>	<b>Current Year-to-date Ended 31-Dec-16 RM'000</b>	<b>Corresponding Year-to-date Ended 31-Dec-15 # RM'000</b>
<b>Current tax:</b>				
Malaysian income tax	301	2,384	8,136	3,376
Foreign tax	70	(10)	70	530
Withholding tax	-	-	-	-
	371	2,374	8,206	3,906
<b>Deferred tax:</b>				
Deferred tax income	(14,216)	(365)	(14,216)	(365)
<b>Total</b>	<b>(13,845)</b>	<b>2,009</b>	<b>(6,010)</b>	<b>3,541</b>

Despite the consolidated losses for the financial year to-date, the Group still incurs a current tax charge of RM8.206 million. RM1.206 million of the current tax charge is due to the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

During the year under review, the tax audit for YA2007 to YA2010 (which was disclosed in Note 28.2 of the audited financial statements for the year ended 31 December 2015) was concluded and an agreement was reached with the Inland Revenue Board for an additional tax payable of RM10.3 million for the years of assessment covered by the said audit. This is RM7 million more than the provision previously recognized in the financial statements for the year ended 31 December 2015 and together with the RM1.206 million mentioned above, gave rise to a current tax charge of RM8.206 million for the year ended 31 December 2016.

A deferred tax income of RM14.216 million had been recognized during the financial year ended 31 December 2016 in respect of the temporary differences arising mainly from unutilized tax losses and unrealized foreign exchange losses by certain group entities as sufficient future taxable profits are expected to be available against which the affected group entities can utilize the benefits therefrom.

*# The comparative amounts have been adjusted and reclassified to conform with the audited financial statement's presentation.*

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**21. Corporate Proposals**

**(i) Public Shareholdings Spread**

On 14 May 2015, the Company received a notice from Maybank Investment Bank Berhad (“Maybank IB”) on behalf of Dayang Enterprise Holdings Berhad (“Dayang”) in relation to the proposed acquisition of 42,965,100 ordinary shares of RM0.50 each in Perdana Petroleum Berhad (“PPB”) (“PPB Shares”), representing approximately 5.74% equity interest in PPB from Affin Hwang Asset Management Berhad for a total cash consideration RM66,595,905 or RM1.55 per share (“Proposed Acquisition”) and proposed mandatory general offer (“MGO”) for all the remaining PPB Shares not already owned by Dayang after the Proposed Acquisition and such number of new PPB Shares that might be issued pursuant to the exercise of any outstanding warrants 2010/2015 issued by PPB (“PPB Warrants”) prior to the close of the proposed MGO for a cash consideration of RM1.55 per PPB Share and all the remaining PPB Warrants not already owned by Dayang for a cash consideration of RM0.84 per PPB Warrant.

On 2 July 2015, the Company received a notice of conditional mandatory take-over offer from Maybank IB, on behalf of Dayang to acquire all the remaining PPB Shares not already owned by Dayang after the Acquisition and such number of new PPB Shares that might be issued pursuant to the exercise of any outstanding PPB Warrants prior to the close of the Offer (“Offer Shares”) and all the remaining PPB Warrants not already owned by Dayang (“Offer Warrants”) for a cash offer price of RM1.55 per Offer Share and RM0.84 per Offer Warrant. In relation to the Offer, the Board deliberated on the Notice and was not seeking an alternative person to make a take-over offer for the Offer Shares and Offer Warrants.

On 24 July 2015, Dayang (“the Offeror”) received valid acceptances in respect of the Offer, resulting in Dayang and the person acting in concert with Dayang for the Offer (“PACs”) holding in aggregate, together with such PPB Shares that were already acquired, held or entitled to be acquired or held by Dayang and the PACs, more than 50% of the voting shares of PPB. As such, the acceptance condition of the Offer had been fulfilled and the Offer had become unconditional.

On the close of the Offer on 13 August 2015, the Offeror and PACs accepted 710,783,665 ordinary shares of RM0.50 each and 28,368,926 warrants, equivalent to 94.96% of issued and paid-up share capital of PPB as at 13 August 2015 of 748,488,501 PPB Shares and 92.63% of 30,627,597 outstanding PPB Warrants as at 13 August 2015. Henceforth, the Company regarded Dayang Enterprise Holdings Bhd as its holding company.

As the public shareholding spread of PPB was less than 10% of the Voting Shares of PPB, on 14 August 2015, the Company announced that the trading in all the securities of PPB would be suspended by Bursa Securities with effect from 9.00 a.m. on 31 December 2015, pursuant to Paragraph 16.02(2) of the Main Market Listing Requirements (“MMLR”). Accordingly, trading in the structured warrants relating to Perdana would also be suspended at the same date and time. The suspension would only be uplifted by Bursa Malaysia Securities Berhad upon PPB's full compliance with the public shareholding spread requirements under paragraph 8.02(1) of the MMLR or as might be determined by Bursa Malaysia Securities Berhad.

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**21. Corporate Proposals**

**(i) Public Shareholdings Spread (Cont'd)**

On 25 September 2015, the Company announced that Bursa Securities had vide their letter dated 23 September 2015 granted the Company an extension of time of three months from 13 August 2015 to 12 November 2015 to comply with the public shareholding spread requirement.

On 2 December 2015, the Company announced that Bursa Securities had vide their letter dated 1 December 2015 granted the Company an extension of time of three months from 13 November 2015 to 12 February 2016 to comply with the public shareholding spread requirement.

On 5 April 2016, the Company announced that Bursa Securities had vide their letter dated 1 April 2016 granted the Company a further extension of time of six months i.e. from 13 February 2016 to 12 August 2016 to comply with the public shareholding spread requirement.

The Company had on 20 July 2016 and 28 December 2016 applied for a further extension of time of three months from 13 August 2016 to 12 November 2016 and seven months from 13 November 2016 to 30 June 2017 respectively to comply with the shareholding spread requirement. Bursa Securities has reverted with some queries and the Company is currently attending to these queries.

**(ii) Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of Sukuk Based on the Shariah Principle of Murabahah of up to RM635,000,000 in Nominal Value**

On 11 March 2016, United Overseas Bank (Malaysia) Bhd (“UOB”) as the Principal Adviser/Lead Arranger/Lead Manager for a Proposed Sukuk Issue, on behalf of the Company, had made the lodgement in respect of the Proposed Sukuk Issue with the Securities Commission Malaysia.

The first issuance under the Proposed Sukuk Issue would be guaranteed by Danajamin Nasional Berhad pursuant to an Al-Kafalah Facility. The tenure of the Sukuk Murabahah Programme was twelve (12) years from the date of the first issue of the Sukuk Murabahah.

The proceeds of the first issuance of the Sukuk Murabahah were to be utilised for the following Shariah-compliant purposes:

- (a) first, an amount of up to RM630 million to be utilised for refinancing of outstanding borrowings undertaken by the Company and/or its subsidiaries for the purchase of certain charged vessels;
- (b) second, an amount of up to RM20 million to defray any fees and expenses for the Proposed Sukuk Issue and the Al-Kafalah Facility and to prefund the finance service reserve account to be opened and maintained under the Al-Kafalah Facility; and

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

**(ii) Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of Sukuk Based on the Shariah Principle of Murabahah of up to RM635,000,000 in Nominal Value (Cont'd)**

- (c) third, any unutilised balance after meeting the purposes in items (i) and (ii) above could be utilised for the Company's working capital requirements subject to a maximum amount.

The proceeds of subsequent issuances of the Sukuk Murabahah shall be utilised for the Company's working capital requirements (including refinancing) which includes advances to the Issuer's subsidiaries via Shariah-compliant mode and general corporate purposes which shall be Shariah-compliant.

On 28 April 2016, the first issuance of the Sukuk Murabahah was completed for the amount of RM635,000,000, the revised nominal value, to be utilised for the following Shariah-compliant purposes:

- (a) first, an amount of RM615,000,000.00 to be utilised for refinancing of outstanding borrowings identified by the Company and undertaken by the Company and/or its subsidiaries for the purchase of certain chartered vessels; and
- (b) second, an amount of RM20,000,000.00 to defray any fees and expenses for the Sukuk Murabahah Programme and the Al-Kafalah Facility and to prefund the finance service reserve account to be opened and maintained under the Al-Kafalah Facility.

Save for the above, there were no other corporate proposals announced but not completed as at 15 February 2017, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

**22. Borrowings**

Total Group's borrowings as at 31 December 2016 were as follows:

	As at 31-Dec-16 RM'000	As at 31-Dec-15 RM'000
<b>Short term borrowings</b>		
Secured	184,830	353,509
Unsecured	18,000	20,000
	202,830	373,509
<b>Long term borrowings</b>		
Secured	694,277	625,295
<b>Total borrowings</b>	897,107	998,804

The above includes borrowings in US Dollars equivalent to RM273 million (31 December 2015: RM979 million).

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**23. Material Litigations**

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2015 and 15 February 2017, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

**(i) Notices of Motion to Federal Court to Appeal Against the Whole Decision of the Court of Appeal**

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

This suit was mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and the Company was 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 had reversed the provisions made earlier.

The trial at the High Court ended on 26 April 2013 and oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, the Company announced that the High Court gave its decision that the Company was unsuccessful in the Suit. On 17 April 2014, the Company filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

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



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**23. Material Litigations (Cont'd)**

**(i) Notices of Motion to Federal Court to Appeal Against the Whole Decision of the Court of Appeal (Cont'd)**

On 2 December 2014, the Court of Appeal fixed the hearing of the Appeal. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015.

On 25 August 2015, the Company announced that the Court of Appeal had made the following judgements:-

- (a) the Company's appeal was allowed with costs against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;
- (b) the Company's appeal was dismissed with costs against Lee Mee Jiong; and
- (c) Tengku Dato' Ibrahim Petra bin Tengku Indra Petra's cross appeal was dismissed with costs.

On 23 September 2015, the Company received the Notices of Motion from the solicitors of Tengku Dato' Ibrahim bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong respectively, to apply for leave to appeal to the Federal Court against the decision of the Court of Appeal on 25 August 2015.

The Federal Court allowed on 1 March 2016 the leave applications by the Applicants.

On 10 October 2016, Tengku Ibrahim, Wong Fook Heng and Tiong Young Kong's appeals against the Company were partially heard by the Federal Court. The Federal Court had fixed 18 October 2016 for the continued hearing which however could not take place on the said date. The Federal Court subsequently fixed 16 November 2016 as the continued hearing date.

However, on 8 November 2016, the Federal Court via a letter informed all the parties that the continued hearing scheduled on 16 November 2016 was converted to a Case Management and the new continued hearing date was fixed on 2 February 2017.

On 2 February 2017, the Federal Court has heard all of the parties for the continued hearing and deferred the decision to a later date which is yet to be determined.

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**23. Material Litigations (Cont'd)**

**(ii) Arbitration Between Nam Cheong International Limited (Claimant) and Petra Offshore Limited (Respondent)**

In relation to the proposed acquisition of two units of 500-men accommodation workbarges, identified as Vessel Hull No. SK316 and SK317 from Nam Cheong International Limited (“NCIL”) at a consideration of USD84.0 million, the Company’s wholly owned subsidiary, Petra Offshore Limited (“POL”) had on 1 December 2016 sent a notification to NCIL of the cancellation of the Memorandum of Agreement (“MoA”) on the acquisition of the accommodation work barge identified as Vessel Hull No. SK317 (“Vessel”) as NCIL had not fulfilled the condition of delivery of the Vessel in accordance with the terms and conditions of the MoA. Accordingly, POL had sought for the immediate return of the deposit paid of USD8.4 million (“Deposit”), as advised by the legal counsel.

On 5 December 2016, POL received a letter from NCIL stating that POL had no right to cancel the MoA and in view thereof had breached the terms of the MoA. NCIL had consequently treated the MoA as terminated and had forfeited the Deposit.

Notwithstanding the above claims by NCIL, POL had on 9 December 2016 through its solicitors issued a letter of demand to NCIL for the return of the Deposit.

On 22 December 2016, POL received from the solicitors of NCIL a Notice of Arbitration dated 22 December 2016 that NCIL had filed with the Kuala Lumpur Regional Centre for Arbitrations as Claimant against POL as the Respondent in respect of disputes arising out of the MoA for the sale and purchase of one unit 500-men accommodation work barge (Hull No. SK317) dated 23 June 2014 as amended by the Addendum No. 1 dated 27 May 2015.

NCIL is seeking, inter alia, the relief that POL’s purported termination of the MoA on 1 December 2016 was wrongful and unwarranted and the forfeiture of the 20% deposit amounting to USD8.4 million together with damages arising from failure and/or refusal and/or neglect of POL to take delivery of the Vessel.

On 18 January 2017, POL had via its solicitors issued a Response to Notice of Arbitration to NCIL. POL’s Response to Notice of Arbitration counterclaimed that NCIL’s claim against POL was misconceived and erroneous as the Vessel was not in every respect physically ready for delivery and therefore the relief or remedy sought by NCIL did not arise and the cancellation of the MoA by POL was valid. Hence, POL continued to seek the immediate release of the Deposit paid.



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No interim dividends have been declared for the financial year ended 31 December 2016.

The Board of Directors did not recommend the payment of any dividends for the financial year ended 31 December 2015.

**25. Loss Per Share****a.) Basic**

	<b>Current Quarter Ended 31-Dec-16</b>	<b>Corresponding Quarter Ended 31-Dec-15</b>	<b>Current Year-to-date Ended 31-Dec-16</b>	<b>Corresponding Year-to-date Ended 31-Dec-15</b>
Net loss attributable to shareholders (RM'000)	2,534	(80,172)	(29,933)	(118,917)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/year	778,470,949	749,032,180	778,470,949	738,570,075
Effects of warrants exercised	-	28,158,823	-	15,267,992
Weighted average number of ordinary shares in issue	778,470,949	777,191,003	778,470,949	753,838,067
Basic loss per ordinary share of RM0.50 each (Sen)	0.33	(10.31)	(3.85)	(15.77)

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**25. Loss Per Share (Cont'd)**

**b.) Diluted**

	<b>Current Quarter Ended 31-Dec-16</b>	<b>Corresponding Quarter Ended 31-Dec-15</b>	<b>Current Year-to-date Ended 31-Dec-16</b>	<b>Corresponding Year-to-date Ended 31-Dec-15</b>
Net loss attributable to shareholders (RM'000)	2,534	(80,172)	(29,933)	(118,917)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/year	778,470,949	749,032,180	778,470,949	738,570,075
Effects of warrants exercised	-	28,158,823	-	15,267,992
Effects of outstanding warrants	-	-	-	-
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	778,470,949	777,191,003	778,470,949	753,838,067
Diluted earnings per ordinary share of RM0.50 each (Sen)	*N/A	*N/A	*N/A	*N/A

\* Diluted earnings per share is not presented as there was an anti-dilutive effect arising from the assumed conversion of the Warrants as at 31 December 2015 and there are no outstanding warrants as at 31 December 2016.

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

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

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

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

	<b>As at 31-Dec-2016 RM'000</b>	<b>As at 31-Dec-2015 RM'000</b>
Total retained earnings of the Group:		
- Realised profits	24,866	151,513
- Unrealised profits	14,843	(973)
	<u>39,709</u>	<u>150,540</u>
Add:- Consolidated adjustments	150,810	69,912
Total retained earnings as per statement of financial position	<u>190,519</u>	<u>220,452</u>

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

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

*By Order of the Board*

*Bailey Kho Chung Siang  
Executive Director*

*Date: 21 February 2017*