



# **PERDANA PETROLEUM BERHAD**

Company No. 372113-A  
(Incorporated in Malaysia)

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	-----Unaudited-----			
	Current Quarter Ended 31-Mar-23 RM'000	Corresponding Quarter Ended 31-Mar-22 RM'000	Current Year Ended 31-Mar-23 RM'000	Corresponding Year Ended 31-Mar-22 RM'000
Revenue	29,633	28,815	29,633	28,815
Cost of services	(35,496)	(39,199)	(35,496)	(39,199)
<b>Gross loss</b>	<b>(5,863)</b>	<b>(10,384)</b>	<b>(5,863)</b>	<b>(10,384)</b>
Other income	154	1,160	154	1,160
Administrative expenses	(2,527)	(2,475)	(2,527)	(2,475)
Other expenses	(344)	(218)	(344)	(218)
<b>Results from operating activities</b>	<b>(8,580)</b>	<b>(11,917)</b>	<b>(8,580)</b>	<b>(11,917)</b>
Finance income	63	5	63	5
Finance costs	(1,189)	(1,849)	(1,189)	(1,849)
Net finance costs	(1,126)	(1,844)	(1,126)	(1,844)
<b>Loss before tax</b>	<b>(9,706)</b>	<b>(13,761)</b>	<b>(9,706)</b>	<b>(13,761)</b>
Taxation	1,449	(242)	1,449	(242)
<b>Loss for the period/year</b>	<b>(8,257)</b>	<b>(14,003)</b>	<b>(8,257)</b>	<b>(14,003)</b>
<i>Other comprehensive (expenses)/income:</i>				
<i>Foreign currency translation</i>	(1,984)	5,152	(1,984)	5,152
<b>Total comprehensive expenses for the period/year attributable to Owners of the Company</b>	<b>(10,241)</b>	<b>(8,851)</b>	<b>(10,241)</b>	<b>(8,851)</b>
<b>Loss for the period/year attributable to:</b>				
Owners of the Company	(8,257)	(14,003)	(8,257)	(14,003)
Non-controlling interests	-	-	-	-
	<b>(8,257)</b>	<b>(14,003)</b>	<b>(8,257)</b>	<b>(14,003)</b>
<b>Total comprehensive expenses for the period/year attributable to:</b>				
<i>Owners of the Company</i>	(10,241)	(8,851)	(10,241)	(8,851)
<i>Non-controlling interests</i>	-	-	-	-
	<b>(10,241)</b>	<b>(8,851)</b>	<b>(10,241)</b>	<b>(8,851)</b>
<b>Loss per share (Sen)</b>				
a) Basic	(0.37)	(0.63)	(0.37)	(0.63)
b) Diluted	N/A	N/A	N/A	N/A

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

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



**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2023**

**STATEMENT OF FINANCIAL POSITION**

	(Unaudited) 31-Mar-23 RM'000	(Audited) 31-Dec-22 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	681,408	695,648
Deposits	11,087	11,087
Deferred tax assets	8,705	7,240
	<u>701,200</u>	<u>713,975</u>
<b>CURRENT ASSETS</b>		
Inventories	7,848	2,823
Trade and other receivables	40,764	51,212
Deposits and prepayments	3,884	3,483
Current tax assets	6,711	5,847
Cash and cash equivalents	40,837	45,428
	<u>100,044</u>	<u>108,793</u>
<b>TOTAL ASSETS</b>	<u>801,244</u>	<u>822,768</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	885,198	885,198
Reserves	(310,110)	(299,869)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>575,088</u>	<u>585,329</u>
Non-controlling interests	0	0
<b>TOTAL EQUITY</b>	<u>575,088</u>	<u>585,329</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	29,209	32,642
Trade and other payables	118,453	118,453
Deferred tax liabilities	1,909	1,909
	<u>149,571</u>	<u>153,004</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	18,338	19,919
Trade and other payables	56,787	63,056
Current tax liabilities	1,460	1,460
	<u>76,585</u>	<u>84,435</u>
<b>TOTAL LIABILITIES</b>	<u>226,156</u>	<u>237,439</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>801,244</u>	<u>822,768</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	0.26	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 FIRST QUARTER  
ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

	(Unaudited) Year Ended 31-Mar-23 RM'000	(Audited) Year Ended 31-Dec-22 RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(9,706)	13,727
<i>Adjustments for:</i>		
Impairment loss on financial assets	-	270
Reversal of impairment loss on property, plant and equipment	-	(11,363)
Depreciation of property, plant and equipment	12,949	60,611
Gain on disposal of property, plant and equipment	-	(1,161)
Finance costs	1,189	7,303
Finance income	(63)	(263)
Unrealised (gain)/loss on foreign exchange	(151)	10,391
<b>Operating profit before changes in working capital</b>	<u>4,218</u>	<u>79,515</u>
<i>Changes in working capital:</i>		
Inventories	(5,025)	2,074
Trade and other receivables, deposits and prepayments	10,047	(590)
Trade and other payables	(6,571)	(12,653)
<b>Cash generated from operations</b>	<u>2,669</u>	<u>68,346</u>
Income tax received	-	333
Income tax paid	(880)	(1,627)
<b>Net cash from operating activities</b>	<u>1,789</u>	<u>67,052</u>
<b>Cash flows for investing activities</b>		
Interest received	63	55
Proceeds from disposal of property, plant and equipment	-	19,749
Purchase of property, plant and equipment	(685)	(4,812)
<b>Net cash (used in)/generated from investing activities</b>	<u>(622)</u>	<u>14,992</u>
<b>Cash flows from financing activities</b>		
Repayment of term loan - Islamic	(589)	(2,357)
Repayment of term loan - Commodity Murabahah Financing I	(1,972)	(7,732)
Repayment of secured term loans	(2,371)	(9,549)
Repayment of hire purchase liability	(15)	(58)
Repayment to a related company	-	(32,234)
Interest paid	(775)	(13,087)
<b>Net cash used in financing activities</b>	<u>(5,722)</u>	<u>(65,017)</u>
Net (decrease)/increase in cash and cash equivalents	(4,555)	17,027
Effect of exchange rate movements	(36)	4,958
Cash and cash equivalents at the beginning of the financial period/year	45,428	23,443
Cash and cash equivalents at the end of the financial period/year	<u>40,837</u>	<u>45,428</u>
<b>Cash and cash equivalents</b>		
Deposits placed with licensed banks	24,920	35,624
Cash on hand and at banks	15,917	9,804
	<u>40,837</u>	<u>45,428</u>

(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 FIRST QUARTER ENDED 31 MARCH 2023**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company						Total Equity RM'000
	Ordinary Share Capital RM'000	Redeemable Convertible Preference Shares RM'000	Other Capital Reserve RM'000	Translation Reserve RM'000	Accumulated losses RM'000	Sub- Total RM'000	
<b>Financial year ended 31 March 2023 (Unaudited)</b>							
As at 1 January 2023	877,204	7,994	1,635	140,583	(442,087)	585,329	585,329
Total transactions with owners of the Company	249	(249)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,984)	(8,257)	(10,241)	(10,241)
<b>Balance as at 31 March 2023</b>	<b>877,453</b>	<b>7,745</b>	<b>1,635</b>	<b>138,599</b>	<b>(450,344)</b>	<b>575,088</b>	<b>575,088</b>
<b>Financial year ended 31 December 2022 (Audited)</b>							
As at 1 January 2022	876,947	8,251	1,635	90,706	(451,306)	526,233	526,233
Reclassification				2,166	(2,166)	-	-
Total transactions with owners of the Company	257	(257)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	47,711	11,385	59,096	59,096
<b>Balance as at 31 December 2022</b>	<b>877,204</b>	<b>7,994</b>	<b>1,635</b>	<b>140,583</b>	<b>(442,087)</b>	<b>585,329</b>	<b>585,329</b>

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
ENDED 31 MARCH 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

**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 are not expected to have any material financial impact on the current period and prior period financial statements of the Group and the Company.

**3. Qualification of Financial Statements**

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

**4. Seasonal or Cyclical Factors**

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

**5. Unusual Items**

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

During the financial year, other income comprises a net unrealized foreign exchange gain of RM0.2 million. Other expenses comprise a net realized foreign exchange loss of RM0.2 million, whereas other comprehensive income includes foreign currency translation loss of RM2.0 million.

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## INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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

#### 6. Material Changes in Estimates

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

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

There has been no cancellation, repurchase, resale or repayment of debts and equity securities in the current quarter and financial year other than the conversion of 766,800 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 1,439,714,842 as at 31 March 2023 and the number of RCPS yet to be converted as at that date is 23,914,357.

#### 8. Dividends Paid

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



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

**9. Segmental Information**

	<b>Marine Offshore Support Services</b>	
	<b>Current Quarter/ Period-to-date Ended 31-Mar-23 RM'000</b>	<b>Corresponding Quarter/ Period-to-date Ended 31-Mar-22 RM'000</b>
<b>Segment loss</b>	(9,075)	(11,009)
<i>Included in the measure of segment loss are:</i>		
Revenue from external customers	29,633	28,815
Inter-segment revenue	38,818	39,240
Depreciation and amortization	(12,916)	(14,812)
Finance costs	(794)	(413)
Finance income	58	5
Unrealised foreign exchange gain	(104)	(905)
<b>Segment assets</b>	508,553	576,325
<b>Reconciliation of reportable segment revenues, profit or loss, assets and other material items</b>		
<b>Profit or loss</b>		
Total loss for reportable segments	(9,075)	(11,009)
Other non-reportable segments	(641)	(1,865)
Elimination of inter-segment gain/(loss)	11	(887)
Consolidated loss before tax	(9,705)	(13,761)

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

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

<b>Current Quarter/ Period-to-date Ended 31 March 2023</b>	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>	<b>Segment assets RM'000</b>
Total reportable segments	29,633	(12,916)	(794)	58	508,553
Other non-reportable Segments	-	(33)	(395)	5	363,259
Elimination of inter- segment transactions or balances	-	-	-	-	(72,027)
<b>Consolidated total</b>	<b>29,633</b>	<b>(12,949)</b>	<b>(1,189)</b>	<b>63</b>	<b>799,785</b>

<b>Current Quarter/ Period-to-date Ended 31 March 2022</b>	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>	<b>Finance costs RM'000</b>	<b>Finance income RM'000</b>	<b>Segment assets RM'000</b>
Total reportable segments	28,815	(14,812)	(413)	5	576,325
Other non-reportable Segments	-	(25)	(1,436)	-	417,983
Elimination of inter- segment transactions or balances	-	-	-	-	(193,579)
<b>Consolidated total</b>	<b>28,815</b>	<b>(14,837)</b>	<b>(1,849)</b>	<b>5</b>	<b>800,729</b>

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**INTERIM FINANCIAL REPORT FOR THE FIRST 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-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM'000</b>
<b>Major service line</b>		
Catering services	1,703	110
<b>Timing of recognition</b>		
At a point in time	1,703	110

**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 recognized 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.

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

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

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

For the year ended 31 December 2022, the Group reviewed its vessels for impairment in accordance with MFRS 136, *Impairment of Assets*. The recoverable amounts of the vessels were determined based on the higher of fair value less costs of disposal (“FVL COD”) and value in use (“VIU”). The Group considered each vessel with vessel parts and drydocking as a cash generating unit (“CGU”). In instances where the impairment loss of vessels was determined based on their FVL COD, valuations were performed by an independent valuer using the market approach to determine the FVL COD. Following the review, a net reversal of provision for impairment loss on property, plant and equipment of RM11.4 million was made for the quarter and year ended 31 December 2022.

The Group’s accumulated impairment loss for PPE remains at USD50.3 million as at 31 March 2023 and 31 December 2022 (equivalent to RM221.9 million and RM222 million respectively, where the difference is attributable to the difference in the exchange rate at the reporting dates).

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

There were no material events after the current financial quarter ended 31 March 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 March 2023.

**14. Contingent Liabilities**

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

	As at 31-Mar-23	
	Group RM'000	Company RM'000
<b>Contingent liabilities not considered remote</b>		
Corporate guarantees favouring banks for facilities granted to:		
- ultimate holding company	361,800	361,800
- subsidiaries	-	38,989
	<u>361,800</u>	<u>400,789</u>

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

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

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

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

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

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

- c) Additionally, there is contingent liability arising from the recently concluded material litigation case involving the Company as detailed in Note 24.

**15. Capital Commitments**

As at 31 March 2023, the Group has the following capital commitments:

	<b>Current Quarter Ended 31-Mar-23 RM’000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM’000</b>
Approved but not contracted for	33,363	1,956
Approved and contracted for	685	11,044
	34,048	13,000

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
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a. The followings are the transactions with related parties during the financial quarter:

<b>Company</b>	<b>Current Quarter Ended 31-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM'000</b>
<b>i. Subsidiaries:</b>		
- management fees income	648	423
<b>ii. Related party:</b>		
- interest expense	414	1,479
- rental expense	-	15
<b>Group</b>		
<b>i. Related party:</b>		
- vessel charter income	9,143	9,330
- interest expense	414	1,479
- rental expense	-	85

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-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM'000</b>
Short-term employee benefits	478	381

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****17. Review of Financial Performance****Current Year Quarter versus Preceding Year Corresponding Quarter**

	<b>Current Quarter Ended 31-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	29,633	28,815	818	3
Gross Loss	(5,863)	(10,384)	4,521	44
Loss Before Interest and Taxation	(8,580)	(11,917)	3,337	28
Loss Before Taxation	(9,706)	(13,761)	4,055	29
Loss After Taxation	(8,257)	(14,003)	5,746	41
Loss Attributable to Ordinary Equity Holders of the Company	(8,257)	(14,003)	5,746	41

For the current quarter ended 31 March 2023, the Group has recorded a higher revenue of RM29.6 million and a lower loss before tax of RM9.7 million, as compared to a revenue of RM28.8 million and a loss before tax of RM13.8 million in the first quarter of 2022.

The higher revenue in the current quarter is mainly attributable to better daily charter rates (“DCR”) with an upsurge in demand for OSVs arising from an increase in offshore upstream activities despite lower vessel utilization at 31% as compared to 33% in the first quarter of 2022.

The lower loss before tax of RM9.7 million was achieved due to lower operating costs coupled with lower depreciation charges (RM12.8 million vs RM14.7 million). In addition, lower finance costs also contributed to the lower loss before tax registered for the quarter.

The loss after tax of RM 8.3 million in the current quarter was arrived after taking into account tax income of RM1.4 million (see Note 21).

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

	<b>Current Quarter Ended 31-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-22 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	29,633	55,209	(25,576)	(46)
Gross (Loss)/Profit	(5,863)	11,372	(17,235)	(152)
(Loss)/Profit Before Interest and Taxation	(8,580)	20,196	(28,776)	(142)
(Loss)/Profit Before Taxation	(9,706)	18,845	(28,551)	(152)
(Loss)/Profit After Taxation	(8,257)	20,512	(28,769)	(140)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(8,257)	20,512	(28,769)	(140)

The Group recorded a lower revenue of RM29.6 million and a loss before tax of RM9.7 million in the current quarter, as compared to a higher revenue of RM55.2 million and a profit before tax of RM18.8 million in the preceding quarter.

The monsoon season during the first quarter of this year leads to a much lower vessel utilisation rate, which was at 31% as compared to the 60% utilisation rate in the last quarter of the previous year. This led to a lower revenue for the quarter under review, although better DCR due an upsurge in demand for OSV helps to reduce the negative impact of the lower utilisation rate to some extent.

In addition to the better utilisation rate, the reversal of an impairment loss on property, plant and equipment ("PPE") of RM11.4 million also contributed to the higher profit in the preceding quarter ended 31 December 2022.



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**19. Prospects**

The Environmental Impact Assessment's ("EIA's") April 2023 Energy Outlook forecasted Brent Crude price to average USD85 per barrel in 2023 as an increase in oil and gas activities led to a higher demand for the resources and services needed to explore and produce these commodities. However, the EIA report also cautioned that despite the higher price forecast, recent issues in the banking sector raised the possibility that economic and oil demand growth will be lower than the forecast, which has the potential to result in lower oil prices.

Despite the challenging macro-economic environment coupled with the complexity of the energy transition, PETRONAS released in December 2022 the "Petronas Activity Outlook 2023-2025", projecting a steady outlook for Malaysian offshore activities which will likely see an increase in drilling and development project activities, thus auguring well for the offshore support vessels ("OSV") markets.

Even though there was a clear momentum in the recovery of the OSV markets which gave rise to higher utilization and charter rates for the offshore chartering segment of the Oil and Gas Industry in 2022, we are still cautiously optimistic despite the uncertainty in the outlook due to the current geopolitical dynamics, as well as rising inflation and interest rates. Moving forward, we will leverage our strengths and improved efficiency to remain sustainable and relevant in the long term.

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

	<b>Current Quarter Ended 31-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM'000</b>	<b>Current Year Ended 31-Mar-23 RM'000</b>	<b>Corresponding Year Ended 31-Mar-22 RM'000</b>
<b>Loss for the quarter / period is arrived at after charging / (crediting):</b>				
Depreciation of property, plant and equipment	12,949	14,837	12,949	14,837
Interest expense	1,189	1,849	1,189	1,849
Interest income	(63)	(5)	(63)	(5)
(Gain) / Loss on foreign exchange:				
- realised	168	66	168	66
- unrealised	(151)	(905)	(151)	(905)

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 the financial period ended 31 March 2023.

**21. Taxation**

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

	<b>Current Quarter Ended 31-Mar-23 RM'000</b>	<b>Corresponding Quarter Ended 31-Mar-22 RM'000</b>	<b>Current Year Ended 31-Mar-23 RM'000</b>	<b>Corresponding Year Ended 31-Mar-22 RM'000</b>
<b>Current tax expense:</b>				
Malaysian - current year	15	242	15	242
<b>Deferred tax income:</b>				
- Origination and reversal of temporary difference	(1,464)	-	(1,464)	-
<b>Total Tax (Income)/Expense</b>	<b>(1,449)</b>	<b>242</b>	<b>(1,449)</b>	<b>242</b>

For the current quarter ended 31 March 2023, the Group has recorded deferred tax income of RM1.5 million mainly due to an increase in deferred tax assets arising from the tax impact of higher business tax losses of RM4.7 million and offset by the net impact from the reversal of 2022's unrealized forex loss and current quarter forex gain of RM3.2 million.

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**22. Corporate Proposals**

There were no corporate proposals announced but not completed as at 9 May 2023, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

**23. Borrowings**

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

	As at Current Period Ended 31-March-2023					
	Non-current		Current		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured</b>						
- Term loans	5,230	23,070	3,609	15,919	8,839	38,989
- Islamic facility	-	5,963	-	2,357	-	8,320
- Finance lease	-	176	-	62	-	238
<b>Total</b>	<b>5,230</b>	<b>29,209</b>	<b>3,609</b>	<b>18,338</b>	<b>8,839</b>	<b>47,547</b>

Exchange rate (USD: MYR) at USD1: MYR4.411 (Source of reference: Bank Negara Malaysia website)

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

	As at Current Period 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 March 2023, the total outstanding borrowings were RM47.5 million as compared to RM52.6 million as at 31 December 2022.

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

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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 to the Plaintiffs.

It should be noted that the Appellants may seek further indemnification of legal fees that they have incurred for the Court of Appeal and Federal Court proceedings, the quantum of which cannot be ascertained at the moment.

In view of the Federal Court decision, our solicitor has filed a notice of discontinuance and the Company will no longer proceed with bankruptcy proceedings against the Plaintiffs.

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**25. Proposed Dividends**

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

No dividend was declared or paid for the financial year ended 31 December 2022.

**26. Loss Per Share**

**a) Basic**

	<b>Current Quarter Ended 31-Mar-23</b>	<b>Corresponding Quarter Ended 31-Mar-22</b>	<b>Current Period-to-date Ended 31-Mar-23</b>	<b>Corresponding Period-to-date Ended 31-Mar-22</b>
Net loss attributable to shareholders (RM'000)	(8,257)	(14,003)	(8,257)	(14,003)
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	91,633	38,555	91,633	38,555
Weighted average number of ordinary shares in issue	2,217,510,624	2,216,662,496	2,217,510,624	2,216,662,496
Basic loss per ordinary share (Sen)	(0.37)	(0.63)	(0.37)	(0.63)

**26. Earning/Loss Per Share (Con't)**

**b) Diluted**

The Company has on 31 December 2019 issued and allotted 1,439,714,842 RCPS that are convertible into new ordinary shares in the Company (see Note 7). As at the financial period ended 31 March 2023, only 23,914,357 RCPS have yet to be converted into ordinary shares. Diluted loss per share to account for the effect of conversion of the remaining RCPS into ordinary shares, which is anti-dilutive, has not been computed.

*By Order of the Board*

*Jamalludin Bin Obeng  
Managing Director*

*Date: 16 May 2023*