# INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

# CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Current Year-to-date Ended 31-Dec-08 RM'000	Corresponding Year-to-date Ended 31-Dec-07 RM'000
Continuing Operations				
Revenue	153,691	136,053	530,907	539,730
Cost of Sales	(130,625)	(111,677)	(431,469)	(428,740)
Gross Profit	23,066	24,376	99,438	110,990
Other income	770	2,058	3,501	3,643
Operating expenses	(11,578)	(9,995)	(37,960)	(37,754)
Finance costs	(1,530)	(2,163)	(6,951)	(9,354)
Profit before taxation	10,728	14,276	58,028	67,525
Income tax expense	(3,258)	(3,786)	(15,790)	(16,607)
Profit for the period	7,470	10,490	42,238	50,918
Attributable to: Equity holders of the parent Minority interest	7,501 (31) 7,470	10,490 - 10,490	42,269 (31) 42,238	50,918 - 50,918
Earnings per share of RM0.50 each (sen) a) Basic b) Fully diluted	3.85 3.85	5.38 5.38	21.68 21.68	26.11 26.11

(The condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report)

#### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

## CONDENSED CONSOLIDATED BALANCE SHEET

	31-Dec-08 RM'000	31-Dec-07 RM'000
Non-current assets		
Property, plant and equipment	131,731	143,177
Prepaid lease payments	7,275	7,404
Deferred tax assets	1	1
	139,007	150,582
Current assets	46.796	41.000
Inventories	46,786	41,289
Trade and other receivables	213,968	224,178
Amount due from customers for contract works	23,764	25,681
Amount owing from related companies	-	48
Tax recoverable	673	991
Fixed deposits with licensed banks	90,752	40,733
Cash and bank balances	17,655	27,762
	393,598	360,682
Total Assets	532,605	511,264
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	97,500	97,500
Reserves	195,569	159,072
	293,069	256,572
Minority interest	18	-
Total equity	293,087	256,572
Non-current liabilities		
Long term borrowings	244	422
Retirement benefit obligations	254	422 160
Deferred taxation	27,615	22,064
	28,113	22,646
	20,115	22,040
Current liabilities		
Trade and other payables	88,530	68,576
Amount owing to holding company	61,883	80,790
Amount due to customers for contract works	10,251	7,690
Amount owing to related companies	47,618	52,935
Borrowings	2,167	18,134
Provision for taxation	956	3,921
	211,405	232,046
Total liabilities	239,518	254,692
TOTAL EQUITY AND LIABILITIES	532,605	511,264
Net assets per share of RM0.50 each (RM)	1.50	1.32

(The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report)

#### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

#### CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

31-Dec-0831-Dec-07RM'000RM'000Cash flow from operating activitiesProfit before taxation58.028Adjustments for:Depreciation15.14014.744Bad Dobs-339Doubtfal Debs1.2921.025Gain/(Loss) on disposal of property, plant and equipment(131)(131)(17)Interest income(2.018)Interest income(2.018)Interest income(2.018)(Increase) decrease in inventories(6.214)(Increase) decrease in inventories(5.128)(Ret cash generated from/ (used in) operating activities66.728Proceeds from issuance of shares to minority shareholder49-(18)Addition of property, plant and equipment(3.472)(S.438)(S.438)Proceeds from disposal of property, plant and equipment(3.472)(S.448)(S.438)Proceeds from financing activities(2.978)Proceeds from borrowingsRepayment of horrowings(2.589)Proceeds from borrowings(2.538)Proceeds from borrowi	CONDENSED CONSOLIDATED CASH FLOW STATEMENTS		
Profit before taxation 58,028 67,525   Adjustments for: Experication 15,140 14,744   Bad Debts - 339   Doubtful Debts 1,292 1,025   Gain/(Loss) on disposal of property, plant and equipment (131) (17)   Interest expense 6,951 9,354   Interest expense 6,971 77   Retirement benefits 94 160   Operating profit before working capital changes 80,073 92,033   (Increase) / decrease in inventories (6,214) (8,964)   (Increase) / decrease in trade and other receivables 10,883 (53,801)   Increase / (decrease) in trade and other payables (5,128) (87,811)   Net cash generated from/ (used in) operating activities 66,728 (67,411)   Cash flow from insuance of shares to minority shareholder 49 -   Addition of prepaid lease payments - - <th></th> <th></th> <th></th>			
Adjustments for:   15,140   14,744     Bad Debis   -   339     Doubtful Debis   1,292   1,025     Gain/(Loss) on disposal of property, plant and equipment   (131)   (17)     Interest income   (2,018)   (1,170)     Increase/ increase in trade and other previables   (0,214)   (8,964)     (Increase) / dcrease in trade and other previables   (1,288)   (8,848)     Increase/ / dcrease) in trade and other previables   (5,128)   (87,811)     Net cash used in operation   79,614   (58,543)   (3,846)     Tax paid   (12,886)   (4,868)   (67,711)     Cash flow from investing activities   66,728   (67,711)     Proceeds from issuance of shares to minority shareholder   49   -     Addition of prepaid lease payments   -   (1,86)     Puruchase of properity, plant and equipment			
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Doubtful Debts   1.292   1.025     Gain (Loss) on disposal of property, plant and equipment   (131)   (17)     Interest expense   6.951   9.354     Interest expense   (2.018)   (1,170)     Inventories written off   717   73     Retirement benefits   94   160     Operating profit before working capital changes   80,073   92,033     (Increase) / dcrease in trade and other receivables   10.883   (53,801)     Increases / dcrease in trade and other payables   (5,128)   (87,811)     Net cash used in operation   79,614   (58,543)   (12,886)     Increases / dcrease to mia one store of shares to minority shareholder   49   -     Addition of prepaid lease payments   -   (186)     Proceeds from signosal of property, plant and equipment   170   77     Interest income received   2.018   1,170     Withdrawal of fixed deposit   237   79     Net cash generated from/ (used in) investing activities   (998)   (4.358)     Cash flow from financing activities   (998)   (4.358)		15,140	14,744
Gain/(Loss) on disposal of property, plant and equipment(131)(17)Interest expense $6,951$ $9,354$ Interest income(2,018)(1,170)Inventories written off $717$ $73$ Retirement benefits $94$ $160$ Operating profit before working capital changes $80,073$ $92,033$ (Increase)' decrease in inventories $(6,214)$ $(8,964)$ (Increase)' decrease in trade and other receivables $10,883$ $(53,801)$ Increase/ (decrease) in trade and other provides $(5,128)$ $(87,811)$ Net cash used in operation $79,614$ $(58,543)$ Tax paid $(12,3866)$ $(8,868)$ Net cash generated from/ (used in) operating activities $66,728$ $(67,411)$ Cash flow from investing activities $ (186)$ Proceeds from issuance of shares to minority shareholder $49$ $-$ Addition of prepaid lease payments $ (186)$ Proceeds from disposal of property, plant and equipment $(3,472)$ $(5,498)$ Proceeds from disposal of property, plant and equipment $(12,386)$ $(12,386)$ Ret cash generated from/ (used in) investing activities $(998)$ $(4,338)$ Cash flow from financing activities $(998)$ $(4,358)$ Proceeds from borrowings $ -$ Repayment of biro purchase loan $(328)$ $(288)$ Payment of biro provents $ 120,520$ Interest paid $(6,951)$ $(9,354)$ Drawndown of revolving credit $ 12,53$	Bad Debts	-	339
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Net cash generated from/ (used in) investing activities(998)(4.358)Cash flow from financing activitiesProceeds from borrowings-Repayment of borrowings-Repayment of birrowings-Repayment of hire purchase loan(328)Payment of listing expenses-Proceeds from share issuance-120,520Interest paid(6,951)Drawndown of revolving credit-121,530(8,000)Net cash generated from/ (used in) financing activities(12,530)Net change in cash and cash equivalents40,14940,02968,252Cash and cash equivalents40,149Cash and cash equivalents108,401Cash in hand and at banks17,655Fixed deposits with licensed banks90,75240,733108,40766, (243)(6)	Interest income received	2,018	1,170
Cash flow from financing activitiesProceeds from borrowings-Repayment of borrowings-Repayment of bire purchase loan(328)Payment of listing expenses-Proceeds from share issuance-Proceeds from share issuance-Interest paid(6,951)Drawndown of revolving credit-Dividend paid(5,772)Repayment of revolving credit(12,530)Net cash generated from/ (used in) financing activities(25,581)Net change in cash and cash equivalents40,14940,02968,252Cash & cash equivalents at beginning of period68,252Cash and cash equivalents108,401Cash in hand and at banks17,655Fixed deposits with licensed banks90,75240,733108,407Kest, Fixed deposits pledged as security(6)(243)	Withdrawal of fixed deposit	237	79
Proceeds from borrowings   -   -     Repayment of borrowings   -   (652)     Repayment of hire purchase loan   (328)   (288)     Payment of listing expenses   -   (2.958)     Proceeds from share issuance   -   120,520     Interest paid   (6,951)   (9,354)     Drawndown of revolving credit   -   12,530     Dividend paid   (5,772)   -     Repayment of revolving credit   (12,530)   (8,000)     Net cash generated from/ (used in) financing activities   (25,581)   111,798     Net change in cash and cash equivalents   40,149   40,029     Cash & cash equivalents at end of period   68,252   28,223     Cash & cash equivalents at end of period   108,401   68,252     Cash in hand and at banks   17,655   27,762     Fixed deposits with licensed banks   90,752   40,733     108,407   68,495   108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)	Net cash generated from/ (used in) investing activities	(998)	(4,358)
Proceeds from borrowings   -   -     Repayment of borrowings   -   (652)     Repayment of hire purchase loan   (328)   (288)     Payment of listing expenses   -   (2.958)     Proceeds from share issuance   -   120,520     Interest paid   (6,951)   (9,354)     Drawndown of revolving credit   -   12,530     Dividend paid   (5,772)   -     Repayment of revolving credit   (12,530)   (8,000)     Net cash generated from/ (used in) financing activities   (25,581)   111,798     Net change in cash and cash equivalents   40,149   40,029     Cash & cash equivalents at end of period   68,252   28,223     Cash & cash equivalents at end of period   108,401   68,252     Cash in hand and at banks   17,655   27,762     Fixed deposits with licensed banks   90,752   40,733     108,407   68,495   108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)	Cash flow from financing activities		
Repayment of borrowings   -   (652)     Repayment of hire purchase loan   (328)   (288)     Payment of listing expenses   -   (2,958)     Proceeds from share issuance   -   120,520     Interest paid   (6,951)   (9,354)     Drawndown of revolving credit   -   12,530     Dividend paid   (5,772)   -     Repayment of revolving credit   (12,530)   (8,000)     Net cash generated from/ (used in) financing activities   (25,581)   111,798     Net change in cash and cash equivalents   40,149   40,029     Cash & cash equivalents at beginning of period   68,252   28,223     Cash & cash equivalents at end of period   108,401   68,252     Cash in hand and at banks   17,655   27,762     Fixed deposits with licensed banks   90,752   40,733     108,407   68,495   108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)	<u> </u>		
Repayment of hire purchase loan $(328)$ $(288)$ Payment of listing expenses- $(2,958)$ Proceeds from share issuance- $120,520$ Interest paid $(6,951)$ $(9,354)$ Drawndown of revolving credit- $12,530$ Dividend paid $(5,772)$ -Repayment of revolving credit $(12,530)$ $(8,000)$ Net cash generated from/ (used in) financing activities $(25,581)$ $111,798$ Net change in cash and cash equivalents $40,149$ $40,029$ Cash & cash equivalents at beginning of period $68,252$ $28,223$ Cash and cash equivalents at end of period $108,401$ $68,252$ Cash in hand and at banks $17,655$ $27,762$ Fixed deposits with licensed banks $90,752$ $40,733$ I08,407 $68,495$ $108,407$ $68,495$ Less: Fixed deposits pledged as security $(6)$ $(243)$	-	_	(652)
Payment of listing expenses - (2,958)   Proceeds from share issuance - 120,520   Interest paid (6,951) (9,354)   Drawndown of revolving credit - 12,530   Dividend paid (5,772) -   Repayment of revolving credit (12,530) (8,000)   Net cash generated from/ (used in) financing activities (22,581) 111,798   Net change in cash and cash equivalents 40,149 40,029   Cash & cash equivalents at beginning of period 68,252 28,223   Cash & cash equivalents at end of period 108,401 68,252   Cash in hand and at banks 17,655 27,762   Fixed deposits with licensed banks 90,752 40,733   I08,407 68,495 108,407 68,495   Less: Fixed deposits pledged as security (6) (243)		(328)	
Proceeds from share issuance - 120,520   Interest paid (6,951) (9,354)   Drawndown of revolving credit - 12,530   Dividend paid (5,772) -   Repayment of revolving credit (12,530) (8,000)   Net cash generated from/ (used in) financing activities (25,581) 111,798   Net change in cash and cash equivalents 40,149 40,029   Cash & cash equivalents at beginning of period 68,252 28,223   Cash & cash equivalents at end of period 108,401 68,252   Cash and cash equivalents 90,752 40,733   Ioa hand and at banks 17,655 27,762   Fixed deposits with licensed banks 90,752 40,733   Io8,407 68,495 108,407 68,495   Less: Fixed deposits pledged as security (6) (243)		-	
Drawndown of revolving credit12,530Dividend paid(5,772)Repayment of revolving credit(12,530)Net cash generated from/ (used in) financing activities(25,581)Net change in cash and cash equivalents40,149Cash & cash equivalents at beginning of period68,252Cash & cash equivalents at end of period108,401Cash and cash equivalents106,401Cash in hand and at banks17,655Fixed deposits with licensed banks90,75240,733108,40768,495(6)Less: Fixed deposits pledged as security(6)		-	
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Repayment of revolving credit(12,530)(8,000)Net cash generated from/ (used in) financing activities(25,581)111,798Net change in cash and cash equivalents40,14940,029Cash & cash equivalents at beginning of period68,25228,223Cash & cash equivalents at end of period108,40168,252Cash and cash equivalents17,65527,762Fixed deposits with licensed banks90,75240,733108,40768,495108,40768,495Less: Fixed deposits pledged as security(6)(243)	Drawndown of revolving credit	-	
Net cash generated from/ (used in) financing activities(25,581)111,798Net change in cash and cash equivalents40,14940,029Cash & cash equivalents at beginning of period68,25228,223Cash & cash equivalents at end of period108,40168,252Cash and cash equivalents17,65527,762Fixed deposits with licensed banks90,75240,733I08,40768,495108,40768,495Less: Fixed deposits pledged as security(6)(243)	Dividend paid	(5,772)	-
Net change in cash and cash equivalents40,14940,029Cash & cash equivalents at beginning of period68,25228,223Cash & cash equivalents at end of period108,40168,252Cash and cash equivalents68,25228,223Cash and cash equivalents108,40168,252Cash in hand and at banks17,65527,762Fixed deposits with licensed banks90,75240,733108,40768,495108,40768,495Less: Fixed deposits pledged as security(6)(243)	Repayment of revolving credit	(12,530)	(8,000)
Cash & cash equivalents at beginning of period68,25228,223Cash & cash equivalents at end of period108,40168,252Cash and cash equivalents17,65527,762Cash in hand and at banks17,65527,762Fixed deposits with licensed banks90,75240,733108,40768,495Less: Fixed deposits pledged as security(6)(243)	Net cash generated from/ (used in) financing activities	(25,581)	111,798
Cash & cash equivalents at beginning of period68,25228,223Cash & cash equivalents at end of period108,40168,252Cash and cash equivalents17,65527,762Cash in hand and at banks17,65527,762Fixed deposits with licensed banks90,75240,733108,40768,495Less: Fixed deposits pledged as security(6)(243)	Not change in cash and cash equivalents	40.149	40.020
Cash & cash equivalents at end of period   108,401   68,252     Cash and cash equivalents   17,655   27,762     Cash in hand and at banks   17,655   27,762     Fixed deposits with licensed banks   90,752   40,733     108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)			
Cash and cash equivalents   17,655   27,762     Cash in hand and at banks   17,655   240,733     Fixed deposits with licensed banks   90,752   40,733     108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)			
Cash in hand and at banks   17,655   27,762     Fixed deposits with licensed banks   90,752   40,733     108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)	cash & cash equivalents at end of period	108,401	08,232
Fixed deposits with licensed banks   90,752   40,733     108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)	Cash and cash equivalents		
108,407   68,495     Less: Fixed deposits pledged as security   (6)   (243)			
Less: Fixed deposits pledged as security (6) (243)	Fixed deposits with licensed banks		
	Less: Fixed deposits pledged as security	<u>```</u>	
108,401 68,252		108,401	68,252

(The condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report)

# INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 31 December 2007	97,500	62,062	(31,000)	128,010	256,572	-	256,572
Issue of shares	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	18	18
Bonus issue	-	-	-	-	-	-	-
Listing expenses	-	-	-	-	-	-	-
Net profit for the year	-	-	-	42,269	42,269	-	42,269
Dividend for the year ended 31 December 2007	-	-	-	(5,772)	(5,772)	-	(5,772)
Balance as at 31 December 2008	97,500	62,062	(31,000)	164,507	293,069	18	293,087
Financial year ended 31 December 2007							
As at 31 December 2006	42,000	-	(31,000)	77,092	88,092	-	88,092
Issue of shares	23,000	97,520	-	-	120,520	-	120,520
Bonus issue	32,500	(32,500)	-	-	-	-	-
Listing expenses	-	(2,958)	-	-	(2,958)	-	(2,958)
Net profit for the year	-	-	-	50,918	50,918	-	50,918
Balance as at 31 December 2007	97,500	62,062	(31,000)	128,010	256,572	-	256,572

(The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report)

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

## PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

## 1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007. 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 2007.

## 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised FRS effective for financial period beginning 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the abovementioned FRSs does not have significant impact on the financial statements of the Group.

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

## 3. Qualification of financial statements

The preceding annual financial statements of the Group were not subject to any qualification.

#### 4. Seasonal or cyclical factors

Seasonal and cyclical factors do not have any material impact on the Group's business operations.

## 5. Unusual and extraordinary items

There are no unusual and extraordinary items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

## 6. Material changes in estimates

There are no material changes in the estimates of amounts reported in the current quarter.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

#### 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

There were no dividends paid during the current quarter.

## 9. Segmental information

The Group is principally involved in the oil and gas industry where its activities were carried out within the boundaries of Malaysia. Therefore, no segmental reporting was prepared.

## 10. Valuation of property, plant and equipment

There is no valuation of property, plant and equipment during the current quarter.

## **11.** Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements.

## 12. Changes in composition of the Group

a. On 3 April 2008, Petra Innotech Sdn Bhd was incorporated with the issued share capital of 100 ordinary shares of RM1 each for the purpose of the provision of design and packaging of mechanical equipment for the oil and gas industry in the domestic and regional markets.

It is a wholly owned subsidiary of the Company.

b. On 14 April 2008, Petra Services Sdn Bhd was incorporated with the issued share capital of 100 ordinary shares of RM1 each for the purpose of the provision of technical consultancy and manpower supply services for the oil and gas industry in the domestic and regional markets.

It is a wholly owned subsidiary of the Company.

c. Arising from the Joint Venture Agreement dated 28 May 2008, Petra AWT Sdn Bhd (formerly known as Energy Link Systems Sdn Bhd) was formed with paid up capital of 100,000 ordinary shares of RM1 each of which the Company holds 51% and the balance 49% is held by Advanced Well Technologies (Malaysia) Pty Ltd, an Australian company. The primary purpose is to provide complete field review, development and refurbishment solutions, productivity enhancement, integrity management and decommissioning, by integrating all necessary project management, engineering and equipment services to deliver such solutions to oil and gas operators in Malaysia and mutually agreed regions in South East Asia and Asia.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

#### 13. Changes in contingent liabilities and contingent assets

As at 31 December 2008, the Company has given corporate guarantees amounting to approximately RM76.5 million to licensed financial institutions for facilities granted to subsidiary companies. Arising from this, the Company is contingently liable for the amount utilized by its subsidiary companies of approximately RM9.6 million as at the said date.

#### 14. Significant related party transactions

## a. Intercompany transactions

	Current Quarter ended 31-Dec-08 RM'000	Corresponding Quarter ended 31-Dec-07 RM'000
Rental paid to holding company	45	109
Loan interest paid to holding company	1,203	1,497
Management fee to holding company	405	810
Charter hire fee paid to related companies	19,252	16,462

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## b. Compensation of key management personnel

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

Current	Corresponding
Quarter	Quarter
ended	ended
31-Dec-08	31-Dec-07
RM'000	RM'000
470	462

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

# PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

## **15.** Review of performance

For the current quarter, the Group recorded turnover of RM153.7 million, an increase of 12.9% compared with RM136.1 million reported in the preceding year corresponding period. The profit before taxation decreased by 25.2% from RM14.3 million in the preceding year corresponding period to RM10.7 million for the current quarter.

The decrease in profit before tax in the current quarter in spite of the increase in turnover is mainly due to the lower margin contribution of sales mix and increase in operation costs. In addition, the preceding year corresponding period included a gain in foreign exchange amounting to RM1.5 million.

## 16. Comparison with immediate preceding quarter

The Group's turnover in the current quarter increased by 11.3% to RM153.7 million from RM138.1 million reported in the preceding quarter. However, profit before taxation decreased from RM13.9 million reported in the preceding quarter to RM10.7 million in the current quarter, mainly due to increase in operation costs and provision for doubtful debts and bonus for the current year.

## **17.** Prospects

The prospects for the integrated brownfield services look promising in the years ahead. Considering the increasing number of mature oil fields and aged platforms that require rejuvenation to extend their productive lives, are providing ample growth opportunities for brown field services.

Barring any unforeseen circumstances, the Board of Directors is confident that the prospects of the Group remain positive and bright. While the Directors are optimistic on the future prospects, they are also aware of the adverse impact of the current global economic crisis. The Directors in preserving shareholders' value, will exercise extra prudence and caution in facing the challenging economic environment.

## 18. Profit Forecast

No profit forecast or profit guarantee has been issued by the Group.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

## **19. Taxation**

	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Current Year-to-date Ended 31-Dec-08 RM'000	Corresponding Year-to-date Ended 31-Dec-07 RM'000
Current tax charge	1,610	1,910	10,239	13,955
Deferred taxation	1,648	1,766	5,551	4,599
Under provision for previous year		110		(1,947)
Total	3,258	3,786	15,790	16,607

The effective tax rate of the Group for current period ended under review is higher than the statutory tax rate due principally to certain expenses that were not deductible for tax purposes.

## 20. Unquoted investment and properties

There were no purchase or disposal of unquoted investment and properties for the current quarter and financial year to date.

#### 21. Quoted securities

There were no purchases or disposals of quoted securities for the current quarter and financial year to date and the Group did not hold any quoted securities as at the end of financial year to date.

## 22. Corporate proposals

There were no corporate proposals announced but not completed as of 18 February 2009.

## 23. Borrowings and Amount Owing To Holding Company

a. Total Group's borrowings as at 31 December 2008 were as follows:

	As at 31-Dec-08 RM'000
Secured borrowings	
Short term	2,167
Long term	244
Total	2,411

The above borrowings are denominated in Ringgit Malaysia.

b. The amount owing to holding company is unsecured and bears an interest rate of 7.5% p.a.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

#### 24. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 18 February 2009.

#### 25. Changes in material litigation

The Group is not engaged in any material litigation as at 18 February 2009 except for the following:

a. PFSB, a wholly-owned subsidiary of PEB, received a Writ of Summons and a Statement of Claims dated 24 September 2003 for a total sum of RM1,071,899 from Kencana Bestwide Sdn Bhd (formerly known as Best Wide Matrix Sdn Bhd) ("KBW") for goods and services rendered.

PFSB filed a Defence and Counter-Claim dated 1 December 2003 for a sum of approximately RM2 million being the rectification cost incurred against KBW. KBW's claim and PFSB's counter-claim have been set for hearing on 11 and 12 May 2009 and 13 and 14 July 2009.

Based on legal advice, the Directors are of the opinion that the prospect of success in the defence and counter-claim is high.

b. PRSB, a wholly-owned subsidiary of PEB has on 4 July 2006, served a Notice of Arbitration on ExxonMobil Exploration and Production Malaysia Inc. for payment of a balance sum of RM8,973,366.00, together with damages, interest and costs, on disputed unit of measurement of work completed. The matter is currently being heard and the next hearing dates are scheduled on 25 to 29 May 2009.

Based on legal advice, the Directors are of the opinion that PRSB has good grounds in demanding the payment for the outstanding amount.

#### 26. Dividends

The Board of Directors has proposed a final single-tier exempt dividend of 2.0 sen per ordinary share amounting to RM3,900,000 in respect of the financial year ended 31 December 2008. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting (AGM). Notice of the AGM and the entitlement date will be notified in due course.

# INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

## 27. Earnings per share

Weighted Average / Fully Diluted	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Current Year-to-date Ended 31-Dec-08 RM'000	Corresponding Year-to-date Ended 31-Dec-07 RM'000
Net profit attributable to shareholders	7,501	10,490	42,269	50,918
Number of ordinary shares in issue at the beginning of the period Effect of the issuance pursuant to	195,000,000	195,000,000	195,000,000	84,000,000
Public issue	-	-	-	46,000,000
Bonus issue	-	-	-	65,000,000
Weighted average number of ordinary shares in issue	195,000,000	195,000,000	195,000,000	195,000,000
Basic earnings per ordinary share of RM0.50 each (sen)	3.85	5.38	21,68	26.11

# 28. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2009.