



**PETRA ENERGY BERHAD (718388-H)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
31 DECEMBER 2014**

**PETRA ENERGY BERHAD (718388-H)**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Statements of Comprehensive Income**

	Note	<i>Current quarter</i>		<i>Cumulative period</i>	
		<i>3 months ended</i>		<i>12 months ended</i>	
		<b>31 December 2014 Unaudited RM'000</b>	<b>31 December 2013 Unaudited RM'000</b>	<b>31 December 2014 Unaudited RM'000</b>	<b>31 December 2013 Audited RM'000</b>
Revenue		221,631	157,253	638,633	490,645
Cost of sales		(199,029)	(147,271)	(548,952)	(423,275)
Gross profit		22,602	9,982	89,681	67,370
Other income		6,896	3,752	7,856	4,307
Administrative expenses		(21,628)	(20,250)	(62,317)	(67,141)
Impairment loss on property, plant and equipment		-	(8,904)	-	(8,904)
Negative goodwill		-	-	-	12,835
Profit/(Loss) from operations		7,870	(15,420)	35,220	8,467
Finance income		670	1,973	1,771	3,947
Finance costs		(6,861)	(2,376)	(15,604)	(11,110)
Share of results of associate		(599)	(11)	(458)	(20)
Profit/(Loss) before taxation		1,080	(15,834)	20,929	1,284
Income tax credit	14	4,513	15,588	12,550	11,253
<b>Profit/(Loss) for the financial period</b>		<b>5,593</b>	<b>(246)</b>	<b>33,479</b>	<b>12,537</b>
<u>Other comprehensive income:</u>					
Item that may be subsequently reclassified to profit or loss					
- Currency translation differences		2,259	1,578	1,880	1,578
<b>Other comprehensive income for the financial period, net of tax</b>		<b>2,259</b>	<b>1,578</b>	<b>1,880</b>	<b>1,578</b>
<b>Total comprehensive income for the financial period</b>		<b>7,852</b>	<b>1,332</b>	<b>35,359</b>	<b>14,115</b>
<b>Profit/(Loss) for the financial period attributable to:</b>					
Owners of the parent		5,319	(80)	33,493	12,735
Non-controlling interests		274	(166)	(14)	(198)
		<b>5,593</b>	<b>(246)</b>	<b>33,479</b>	<b>12,537</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		7,578	1,498	35,373	14,313
Non-controlling interests		274	(166)	(14)	(198)
		<b>7,852</b>	<b>1,332</b>	<b>35,359</b>	<b>14,115</b>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>					
Basic	15	1.65	(0.03)	10.41	4.20

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statements of Financial Position**

	Note	31 December 2014 Unaudited RM'000	31 December 2013 Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		437,024	445,245
Trade and other receivables		-	2,357
Investment in associate		5,522	5,980
Goodwill		-	168
Deferred tax asset		4,848	-
		447,394	453,750
<b>Current assets</b>			
Inventories		27,765	21,154
Trade and other receivables		268,923	211,213
Amount due from customers on contracts		18,647	19,510
Amount due from an associate company		186,535	48,610
Tax recoverable		8,258	6,747
Cash and bank balances	16	136,061	112,754
		646,189	419,988
<b>Total Assets</b>		1,093,583	873,738
<b>EQUITY AND LIABILITIES</b>			
Share capital		160,875	160,875
Share premium		138,934	138,934
Merger reserve		(31,000)	(31,000)
Currency translation reserve		3,458	1,578
Retained earnings		241,900	211,625
		514,167	482,012
Non-controlling interests		-	483
<b>Total equity</b>		514,167	482,495
<b>Non-current liabilities</b>			
Loans and borrowings	17	195,418	104,771
Hire purchase liabilities		336	79
Deferred taxation		13,253	25,648
		209,007	130,498
<b>Current liabilities</b>			
Loans and borrowings	17	160,003	94,421
Hire purchase liabilities		145	19
Trade and other payables		210,025	165,718
Provisions		50	284
Amount due to customers on contracts		120	120
Income tax payable		66	183
		370,409	260,745
<b>Total liabilities</b>		579,416	391,243
<b>Total equity and liabilities</b>		1,093,583	873,738
<b>Net assets per share of RM0.50 each</b>		<b>1.60</b>	<b>1.50</b>

These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statements of Changes in Equity**

	← Attributable to Equity Holders of the Company →						Non-controlling interests	Total Equity
	← Non-distributable →			Distributable				
	Share Capital	Share Premium	Merger Reserve	Currency Translation Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1 January 2014</b>	160,875	138,934	(31,000)	1,578	211,625	482,012	483	482,495
Profit for the financial period	-	-	-	-	33,493	33,493	(14)	33,479
Other comprehensive income for the financial period	-	-	-	1,880	-	1,880	-	1,880
Total comprehensive income for the financial period	-	-	-	1,880	33,493	35,373	(14)	35,359
<u>Transactions with owners:</u>								
Interim dividend in respect of financial year ended 31 December 2013	-	-	-	-	(3,218)	(3,218)	-	(3,218)
Sale of interest to non-controlling interest in subsidiaries	-	-	-	-	-	-	(469)	(469)
<b>As at 31 December 2014</b>	160,875	138,934	(31,000)	3,458	241,900	514,167	-	514,167
<b>As at 1 January 2013</b>	107,250	69,880	(31,000)	-	201,035	347,165	512	347,677
Profit for the financial period	-	-	-	-	12,735	12,735	(198)	12,537
Other comprehensive income for the financial period	-	-	-	1,578	-	1,578	-	1,578
Total comprehensive income for the period	-	-	-	1,578	12,735	14,313	(198)	14,115
<u>Transactions with owners:</u>								
Interim dividend in respect of financial year ended 31 December 2012	-	-	-	-	(2,145)	(2,145)	-	(2,145)
Rights shares issued	53,625	69,712	-	-	-	123,337	-	123,337
Share issue expenses	-	(658)	-	-	-	(658)	-	(658)
Share of net assets acquired in a subsidiary	-	-	-	-	-	-	169	169
<b>As at 31 December 2013</b>	160,875	138,934	(31,000)	1,578	211,625	482,012	483	482,495

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**PETRA ENERGY BERHAD (718388-H)**  
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**Condensed Consolidated Statements of Cash Flows**

	<i>12 months ended</i>	
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax	20,929	1,284
Adjustments for:		
Finance income	(1,771)	(3,947)
Finance costs	15,604	11,110
Unrealised foreign exchange gain	(5,617)	(1,784)
Depreciation of property, plant and equipment	33,513	30,623
Gain on disposal of property, plant and equipment	(12)	-
Gain on disposal of subsidiaries	(243)	-
Share of results of associate	458	20
Negative goodwill	-	(12,835)
Impairment on trade and other receivables	929	3,274
Trade receivables written off	-	3,605
Impairment loss on property, plant and equipment	-	8,904
Provision for liquidated ascertained damages	-	107
Inventories written down	5,181	-
Property, plant and equipment written down	-	121
Total adjustments	48,042	39,198
Operating cash flows before changes in working capital	68,971	40,482
Changes in working capital:		
Inventories	(11,792)	18,478
Trade and other receivables	(56,282)	1,666
Trade and other payables	44,073	(63,038)
Amount due from/(to) customers	863	(2,958)
Total changes in working capital	(23,138)	(45,852)
Cash flows generated from/(used in) operations	45,833	(5,370)
Income tax paid	(6,321)	(1,637)
Net cash flows generated from/(used in) operating activities	39,512	(7,007)
Net cash flows used in investing activities	(154,972)	(60,756)
Net cash flows generated from financing activities	138,094	79,248
Net changes in cash and cash equivalents	22,634	11,485
Net changes in cash restricted in use	(99,601)	30,574
Effects of exchange rate changes	977	(84)
Cash and cash equivalents at 1 January	110,818	68,843
Cash and cash equivalents at 31 December (Note 16)	34,828	110,818

These condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2013.

The audited financial statements of the Group for the year ended 31 December 2013 were prepared in accordance with MFRS.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2013.

The Group adopted the following new and revised FRSs, Amendments to FRSs and IC Interpretations which are applicable to its financial statement effective for annual periods beginning on or after 1 July 2013 and 1 January 2014:

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above did not have any material impact on the financial statements of the Group and the Company in the period of initial application.

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 119	Defined Benefits Plans: Employee Contributions
Annual Improvements to FRS 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRS 2011 – 2013 Cycle	1 July 2014
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
	1 January 2016
MFRS 15	Revenue from Contracts with Customers
	1 January 2017
MFRS 9	Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities
	1 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group is currently being assessed by the management.

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

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

**3. Seasonal or Cyclical Factors**

Seasonal and cyclical factors do not have any material impact on the Group's business operations except for severe weather conditions.

**4. Unusual and Extraordinary Items**

There were no unusual and extraordinary items affecting assets, liabilities, equity, net income or cash flows during the quarter ended and financial year ended 31 December 2014.

**5. Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial year.

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

There were no issuance, repurchase and repayment of debts and equity securities during the quarter ended and financial year ended 31 December 2014.

**7. Dividends**

An interim tax exempt (single tier) dividend in respect of the financial year ended 31 December 2013, of 1.0 sen per ordinary share of RM0.50 each on 321,750,000 ordinary shares amounting to RM3,217,500 was paid on 15 May 2014.

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

There were no changes in the composition of the Group for the current financial year under review except as stated below:

- i. On 17 December 2014, Petra Energy Services Sdn Bhd (formerly known as PE Ventures Sdn Bhd) ("PESSB"), a wholly-owned subsidiary of the Company, had entered into a Shares Sales Agreement ("SSA") with Farid Khan bin Kaim Khan ("FKKK") and Raziah Bibi Binti Aorange Zeb ("RBAZ") (collectively known as the "Purchasers"), the existing shareholders of Bumi Subsea Sdn Bhd ("BSSB"), to dispose its entire 51% equity interest amounting to 312,245 ordinary shares of RM1.00 each ("Sale Shares") in BSSB to the Purchasers for a cash consideration of RM430,912.45. The transaction was completed on 13 January 2015.

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

**8. Changes in Composition of the Group (cont'd)**

There were no changes in the composition of the Group for the current financial year under review except as stated below (cont'd):

- ii. On 18 December 2014, the Company had entered into a Shares Sales Agreement (“SSA”) with Chiew Chung Lee (the “Purchaser”), the existing shareholder of Jurutera Perunding Akal Sdn Bhd (“JPA”), to dispose its entire 70% equity interest amounting to 70,000 ordinary shares of RM1.00 each (“Sale Shares”) in JPA to the Purchaser for a cash consideration of RM141,189.03. The transaction was completed on 12 February 2015.
- iii. On 17 February 2015, the Company had completed the internal re-organisation of group structure of its subsidiaries. The internal re-organisation plan is to streamline business activities within the Group as well as promoting operational effectiveness and efficiencies. The transfer involves following entities:
  - the Company’s existing shareholding in Petra Resources Sdn Bhd, Petra Services Sdn Bhd, Petra Marine Sdn Bhd and Petra Fabricators Sdn Bhd (collectively known as “the Subsidiaries”) are transferred to PESSB.
  - Petra Marine Sdn Bhd and PE Ship Management Sdn Bhd’s existing shareholding in PE Marine Ltd, PE Challenger Ltd and PE Marine One Ltd (collectively known as “the Subsidiaries”), are transferred to Petra Energy Capital Sdn Bhd (formerly known as PE Marine Capital Sdn Bhd) (“PECSB”).

The Subsidiaries, PESSB and PECSB are wholly-owned subsidiaries of the Company. The transfer does not have any impact to the Group. As a result of the re-organisation, PEB has become the ultimate holding company of the Group and retain its 100% equity interest in each subsidiary.

**9. Valuation of Property, Plant and Equipment**

The Group states its property, plant and equipment at cost less any accumulated depreciation and any accumulated impairment losses, and does not adopt a policy to revalue its property, plant and equipment.

**10. Contingencies**

There were no contingencies as at the end of the reporting period.

**11. Commitments**

**Capital expenditure**

Property, plant and equipment:

- Approved but not contracted for

<b>31 December 2014 RM'000</b>
6,527



**PETRA ENERGY BERHAD (718388-H)**  
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**12. Segment Information**

**(i) Current Quarter Ended 31 December 2014 (3 months)**

	Integrated Brownfield, Maintenance and Engineering Services		Onshore Civil Engineering Services		Marine Offshore Support Services		Design, Fabrication, Supply and Installation Services		Adjustments and eliminations		Group	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>Revenue (RM'000)</b>												
External customers	185,413	142,424	-	-	20,506	7,468	15,712	7,361	-	-	221,631	157,253
Inter-segment	32,591	14,715	-	-	13,653	-	-	1,799	(46,244)	(16,514)	-	-
Total revenue	218,004	157,139	-	-	34,159	7,468	15,712	9,160	(46,244)	(16,514)	221,631	157,253
<b>Results (RM'000)</b>												
Segment results	4,491	(7,485)	-	943	3,691	(566)	3,470	(3,626)	2,069	6,191	13,721	(4,543)
Impairment loss on property, plant and equipment	-	(8,904)	-	-	-	-	-	-	-	-	-	(8,904)
Inventories written off	(2,431)	-	-	-	-	-	(2,750)	-	-	-	(5,181)	-
Finance costs	(2,029)	(4,346)	-	(371)	(2,697)	(40)	(957)	1,196	(1,178)	1,185	(6,861)	(2,376)
Share of results of associate	-	-	-	-	-	-	-	-	(599)	(11)	(599)	(11)
Segment profit/(loss) before tax	31	(20,735)	-	572	994	(606)	(237)	(2,430)	292	7,365	1,080	(15,834)

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

**12. Segment Information (cont'd)**

**(ii) Current Year-to-date Ended 31 December 2014 (12 months)**

	Integrated Brownfield, Maintenance and Engineering Services		Onshore Civil Engineering Services		Marine Offshore Support Services		Design, Fabrication, Supply and Installation Services		Adjustments and eliminations		Group	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>Revenue (RM'000)</b>												
External customers	522,009	426,898	-	-	76,647	29,083	39,977	34,664	-	-	638,633	490,645
Inter-segment	104,038	61,999	-	-	13,653	-	-	6,437	(117,691)	(68,436)	-	-
Total revenue	626,047	488,897	-	-	90,300	29,083	39,977	41,101	(117,691)	(68,436)	638,633	490,645
<b>Results (RM'000)</b>												
Segment results	45,017	4,387	(97)	13,063	7,218	1,877	(133)	(3,717)	(9,833)	(7,127)	42,172	8,483
Impairment loss on property, plant and equipment	-	(8,904)	-	-	-	-	-	-	-	-	-	(8,904)
Inventories written down	(2,431)	-	-	-	-	-	(2,750)	-	-	-	(5,181)	-
Finance costs	(16,222)	(19,749)	-	(371)	(3,379)	(805)	(1,545)	(368)	5,542	10,183	(15,604)	(11,110)
Share of results of associate	-	-	-	-	-	-	-	-	(458)	(20)	(458)	(20)
Negative goodwill	-	-	-	-	-	12,835	-	-	-	-	-	12,835
Segment profit/(loss) before tax	26,364	(24,266)	(97)	12,692	3,839	13,907	(4,428)	(4,085)	(4,749)	3,036	20,929	1,284

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

**12. Segment Information (cont'd)**

***Current quarter compared with the corresponding quarter of the preceding year (three-months)***

For the current quarter under review, the Group recorded revenue of RM221.6 million, an increase by 41% as compared with RM157.3 million reported in corresponding quarter of the preceding year. Correspondingly, the Group recorded profit before taxation of RM1.1 million as compared with loss before taxation of RM15.8 million in the preceding year's corresponding quarter. Profit before taxation recorded in the current quarter under review was mainly due to positive contribution from the Marine Offshore Support Services Segment.

- Integrated Brown Field Maintenance and Engineering Services Segment

The segment revenue for the current quarter increased by 30% from RM142.4 million in the corresponding quarter of preceding year to RM185.4 million in the current quarter. The increase in revenue for the current quarter under review is due to higher contribution from the Hook up, Commissioning and Top-side Major Maintenance ("HuC/TMM") contract from PETRONAS Carigali Sdn Bhd ("PCSB") in line with the activities executed during the current quarter under review.

The segment recorded an increase in the segment results by RM12.0 million to RM4.5 million in the current quarter under review. However, the increase in the segment results was overshadowed by the impact of inventories written down to its realisable value of RM2.4 million in the current quarter under review. Thus, this led to the low profit before taxation recorded by the segment in the current quarter under review.

- Onshore Civil Engineering Services Segment

There was no revenue contribution from Onshore Civil Engineering Services segment following completion of Kumang project in 2012.

- Marine Offshore Support Services Segment

The segment revenue for the current quarter has increased by RM13.0 million to RM20.5 million in the current quarter. The segment also recorded a higher profit before taxation of RM1.0 million in the current quarter as compared with a loss before taxation of RM0.6 million in the corresponding quarter of preceding year. Overall increase is mainly due to contribution from vessels which were chartered to third parties during the current quarter under review.

- Design, Fabrication, Supply and Installation Services Segment

The segment revenue for the current quarter increased by RM8.4 million from RM7.4 million in the corresponding quarter of preceding year to RM15.7 million in the current quarter.

The segment incurred a lower loss before taxation of RM0.2 million as compared with loss before taxation of RM2.4 million in the corresponding quarter of preceding year. Excluding the impact of inventories written down to its realisable value of RM2.8 million in the current quarter under review, the segment's improved performance is mainly due to higher activities performed in the Fabrication division during the current quarter under review.

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

**12. Segment Information (cont'd)**

***Current financial year compared with the previous financial year (twelve-months)***

For the current financial year under review, the Group recorded revenue of RM638.6 million, an increase by 30% as compared with RM490.6 million reported in previous financial year. Correspondingly, the Group recorded profit before taxation of RM20.9 million as compared with profit before taxation of RM1.3 million in the previous financial year. Higher profit before taxation in the current financial year under review was mainly due to positive contribution from the Integrated Brown Field Maintenance and Engineering Services Segment.

- Integrated Brown Field Maintenance and Engineering Services Segment

The segment revenue for the current financial year has increased by 22% from RM426.9 million in 2013 to RM522.0 million in the current financial year. The increase in revenue for the current financial year is due to higher activities executed for the Hook up, Commissioning and Top-side Major Maintenance ("HuC/TMM") contract from PCSB.

The segment's profit before taxation had increased significantly to RM26.4 million in the current financial year as compared with a loss before taxation of RM24.3 million in 2013. The significant improvement in profit before taxation is mainly due to higher activities executed and better earnings contribution from the HuC/TMM contract during the current financial year.

- Onshore Civil Engineering Services Segment

There was no revenue contribution from Onshore Civil Engineering Services segment following completion of Kumang project in 2012. The profit before taxation of RM12.7 million recorded in 2013 was related to recovery of costs.

- Marine Offshore Support Services Segment

The segment revenue for the current financial year has increased by 164% to RM76.6 million in current financial year from RM29.1 million in 2013. The increase in revenue is mainly due to the fully year contribution from a wholly owned subsidiary which was acquired in May 2013 and contribution from vessels which were chartered to third parties during the current financial year.

The profit before taxation in 2013 included the negative goodwill recognised arising from the acquisition of a wholly owned subsidiary amounted to RM12.8 million. Excluding the recognition of negative goodwill of RM12.8 million, the segment recorded a higher profit for the current financial year of RM3.8 million from RM1.1 million in 2013. This was mainly due to contribution from vessels which were chartered to third parties during the current financial year.

- Design, Fabrication, Supply and Installation Services Segment

The segment recorded higher revenue during the current financial year of RM5.3 million to RM40.0 million in 2014. Overall, the segment results had improved by RM3.5 million from a loss of RM3.7 million in previous financial year to a loss of RM0.1 million in current financial year. The segment's improved performance is mainly due to higher activities performed in the Fabrication division during the current financial year.

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

**13. Profit before taxation**

Included in the profit before taxation are the following items:

	<i>Current quarter 3 months ended</i>		<i>Cumulative period 12 months ended</i>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Interest income	(670)	(1,973)	(1,771)	(3,947)
Interest expense	6,861	2,376	15,604	11,110
(Gain)/Loss on foreign exchange – realised	(295)	(2,160)	89	-
Gain on foreign exchange – unrealised	(5,681)	(3,294)	(5,617)	(1,784)
Gain on disposal of property, plant and equipment	(10)	-	(12)	-
Gain on disposal of subsidiaries	(243)	-	(243)	-
Depreciation of property, plant and equipment	8,051	8,302	33,513	30,623
Impairment of trade and other receivables	929	-	929	3,274
Impairment loss on property, plant and equipment	-	8,904	-	8,904
Inventories written down	5,181	-	5,181	-
Negative goodwill	-	-	-	(12,835)
Trade receivables written off	-	-	-	3,605
Write off of property, plant and equipment	-	-	-	121

Save as disclosed above, the other items required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

**14. Income tax**

	<i>Current quarter 3 months ended</i>		<i>Cumulative period 12 months ended</i>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Current tax (credit)/expense:				
Malaysian income tax	(1,732)	(1,076)	(155)	1,259
Deferred tax	(2,781)	(14,512)	(12,395)	(12,512)
	<b>(4,513)</b>	<b>(15,588)</b>	<b>(12,550)</b>	<b>(11,253)</b>

In the current quarter ended 31 December 2014, the tax credit recognised is mainly arising from the reversal of the temporary differences previously recognised as a result of internal restructuring within the Group.

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**15. Earnings per share**

Basic earnings per share of 10.41 sen (2013: 4.20 sen) are calculated by dividing profit for the period, net of tax, attributable to owners of the parent of RM33,493,000 (2013: RM12,735,000) by the weighted average number of ordinary shares outstanding during the financial period of 321,750,000 (2013: 302,974,000). The Group has no potential ordinary shares in issue as at reporting date and therefore diluted earnings per share has not been presented.

**16. Cash and bank balances**

	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Short term deposits with licensed banks	54,243	70,606
Cash at banks and on hand	81,818	42,148
	<b>136,061</b>	<b>112,754</b>

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Cash and bank balances	136,061	112,754
Less: Bank overdrafts	(1,265)	(1,569)
Cash and cash equivalents	134,796	111,185
Less: Cash restricted in use		
- Debt Service Reserve Account	(99,968)	(6)
- Fixed deposits pledged for borrowing	-	(361)
Net cash and cash equivalents	<b>34,828</b>	<b>110,818</b>

**17. Loans and borrowings**

	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<b>Short term borrowings</b>		
Secured	96,963	26,313
Unsecured	63,040	68,108
	<b>160,003</b>	<b>94,421</b>
<b>Long term borrowings</b>		
Secured	195,418	104,771
	<b>355,421</b>	<b>199,192</b>

The Group is exposed to transactional currency risk that is denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily USD Dollars ("USD").

As at the reporting period the Group's exposure to foreign currency risk is arising from term loans amounting to RM144,230,000 which are denominated in USD.

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

**18. Related Party Transactions**

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 31 December 2014 and 31 December 2013:

	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Rental of buildings paid to parties related to a Corporate Shareholder	440	437

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.

**19. Material Events After the Reporting Period**

There was no material event subsequent to the end of the interim period reported which has not been reflected in the financial statements.

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**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING  
REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**20. Performance review**

Explanatory comment on the performance of each of the Group's business segments is provided in Note 12.

**21. Comment on material change in profit before taxation for the quarter reported as compared with immediate preceding quarter**

The Group recorded profit before taxation of RM1.1 million in fourth quarter, 2014 as compared with profit before taxation of RM8.1 million in the third quarter, 2014. The reduction in profit before taxation is mainly due to lesser activities executed in the Integrated Brown Field Maintenance and Engineering Services Segment, coupled with the impact of inventories written down to its net realisable value of RM5.2 million in the fourth quarter.

**22. Commentary on prospects**

Global oil prices reached new lows in January 2015, and oil prices are expected to stay depressed compared with recent past. Key measures will continue to be undertaken by the Group to manage costs and operational expenditures in its efforts to increase shareholder value. Growing the current business and aggressively exploring opportunities up to the oil and gas value chain for new revenue streams will remain a priority for the Group.

**23. Profit Forecast**

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

**24. Corporate Proposals**

There were no corporate proposals announced but not completed as at the reporting date.

**25. Derivative Financial Instruments**

The Group did not enter into any derivatives during the period ended 31 December 2014 nor for the previous financial year ended 31 December 2013.

**26. Gains and Losses Arising from Fair Value Changes of Financial Liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2014.

**27. Changes in Material Litigations**

As at 31 December 2014, there was no material litigation against the Group.



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**28. Dividend payable**

The Board has declared a single tier interim dividend of 2.0 sen per ordinary share of 50.0 sen each on 321,750,000 ordinary shares for the year ended 31 December 2014, amounting to a dividend payable of RM6,435,000. The dividend will be paid on 15 May 2015 to shareholders whose name appears in the Record of Depositors at the close of business on 17 April 2015.

**29. Breakdown of realised and unrealised profits or losses**

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

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	241,445	235,479
- Unrealised	66,348	47,068
	307,793	282,547
Total share of retained earnings from associated company:		
- Realised	(478)	(20)
	307,315	282,527
Less: Consolidated adjustments	(65,415)	(70,902)
Retained earnings as per financial statements	241,900	211,625

**30. Authorisation For Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 February 2015.