



PETRA ENERGY BERHAD
200501036241 (718388-H)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED
31 MARCH 2022**

PETRA ENERGY BERHAD
200501036241 (718388-H)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Comprehensive Income

| | Note | <i>Current quarter 3 months ended</i> | |
|--|------|---|---|
| | | 31 March 2022 Unaudited RM'000 | 31 March 2021 Unaudited RM'000 |
| Revenue | | 43,798 | 77,835 |
| Cost of sales | | (59,637) | (76,061) |
| Gross (loss)/income | | (15,839) | 1,774 |
| Other income | | 930 | 166 |
| Administrative expenses | | (4,579) | (5,399) |
| Loss from operations | | (19,488) | (3,459) |
| Finance income | | 584 | 490 |
| Finance costs | | (563) | (590) |
| Share of results of an associate | | (156) | (352) |
| Loss before taxation | 11 | (19,623) | (3,911) |
| Income tax expense | 12 | (886) | (1,069) |
| Loss for the financial period | | (20,509) | (4,980) |
| <u>Other comprehensive income:</u> | | | |
| Item that may be subsequently reclassified to profit or loss | | | |
| - Share of other comprehensive income of an associate | | - | 450 |
| Other comprehensive income for the financial period, net of tax | | - | 450 |
| Total comprehensive loss for the financial period | | (20,509) | (4,530) |
| Loss per share (sen) | | | |
| Basic/ diluted | 13 | (6.39) | (1.55) |

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

PETRA ENERGY BERHAD
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Condensed Consolidated Statements of Financial Position

| | Note | 31 March 2022 Unaudited RM'000 | 31 December 2021 Audited RM'000 |
|--|------|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 179,870 | 185,486 |
| Right-of-use assets | | 24,903 | 32,597 |
| Lease receivable | | 11,321 | 12,679 |
| Investment in associate | | 3,654 | 10,650 |
| Deferred tax asset | | 1,532 | 1,532 |
| | | 221,280 | 242,944 |
| Current assets | | | |
| Inventories | | 3,350 | 1,934 |
| Trade and other receivables | | 29,486 | 45,408 |
| Amount due from an associate company | | - | 60 |
| Lease receivable | | 8,470 | 7,112 |
| Contract assets | | 81,060 | 102,864 |
| Tax recoverable | | 9,321 | 7,811 |
| Cash and bank balances | 14 | 144,751 | 143,055 |
| | | 276,438 | 308,244 |
| Total Assets | | 497,718 | 551,188 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 299,809 | 299,809 |
| Treasury shares | | (840) | (840) |
| Merger reserve | | (31,000) | (31,000) |
| Currency translation reserve | | 10,027 | 10,027 |
| Retained earnings | | 82,166 | 109,094 |
| Total equity | | 360,162 | 387,090 |
| Non-current liabilities | | | |
| Lease liabilities | | 921 | 1,015 |
| Deferred tax liabilities | | 1,137 | 1,137 |
| | | 2,058 | 2,152 |
| Current liabilities | | | |
| Lease liabilities | | 8,404 | 16,263 |
| Loans and borrowings | 15 | 20,693 | 32,837 |
| Trade and other payables | | 101,649 | 108,535 |
| Contract liabilities | | 4,675 | 3,988 |
| Income tax payable | | 77 | 323 |
| | | 135,498 | 161,946 |
| Total liabilities | | 137,556 | 164,098 |
| Total equity and liabilities | | 497,718 | 551,188 |
| Net assets per share of RM0.50 each | | 1.12 | 1.20 |

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-distributable → | | | | Distributable | |
| | Share Capital RM'000 | Merger Reserve RM'000 | Treasury Shares RM'000 | Currency Translation Reserve RM'000 | Retained Earnings RM'000 | Total Equity RM'000 |
| As at 1 January 2022 | 299,809 | (31,000) | (840) | 10,027 | 109,094 | 387,090 |
| Loss for the financial period | - | - | - | - | (20,509) | (20,509) |
| Other comprehensive income for the financial period | - | - | - | - | - | - |
| Total comprehensive loss for the financial period | - | - | - | - | (20,509) | (20,509) |
| <u>Transactions with owners:</u> | | | | | | |
| Interim dividend in respect of financial year ended 31 December 2021 | - | - | - | - | (6,419) | (6,419) |
| As at 31 March 2022 | 299,809 | (31,000) | (840) | 10,027 | 82,166 | 360,162 |
| As at 1 January 2021 | 299,809 | (31,000) | (840) | 9,508 | 105,991 | 383,468 |
| Profit for the financial year | - | - | - | - | 15,941 | 15,941 |
| Other comprehensive income for the financial year | - | - | - | 519 | - | 519 |
| Total comprehensive income for the financial year | - | - | - | 519 | 15,941 | 16,460 |
| <u>Transactions with owners:</u> | | | | | | |
| Interim dividend in respect of the financial year ended 31 December 2020 | - | - | - | - | (6,419) | (6,419) |
| Interim dividend in respect of the financial year ended 31 December 2021 | - | - | - | - | (6,419) | (6,419) |
| As at 31 December 2021 | 299,809 | (31,000) | (840) | 10,027 | 109,094 | 387,090 |

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

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Condensed Consolidated Statements of Cash Flows

| | <i>3 months ended</i> | |
|--|---|---|
| | 31 March 2022 Unaudited RM'000 | 31 March 2021 Unaudited RM'000 |
| Loss before tax | (19,623) | (3,911) |
| Adjustments for: | | |
| Finance income | (584) | (490) |
| Finance costs | 563 | 590 |
| Depreciation charge | | |
| - property, plant and equipment | 6,748 | 7,452 |
| - right-of-use asset | 7,694 | 7,617 |
| Unrealised foreign exchange gain | (37) | (144) |
| Share of results of associate | 156 | 351 |
| Total adjustments | 14,540 | 15,376 |
| Operating cash flows before changes in working capital | (5,083) | 11,465 |
| Changes in working capital: | | |
| Inventories | (1,417) | (418) |
| Trade and other receivables | 37,727 | 27,485 |
| Lease receivable | - | 606 |
| Trade and other payables | (6,887) | (9,923) |
| Contract liabilities | 687 | (458) |
| Total changes in working capital | 30,110 | 17,292 |
| Cash flows generated from operations | 25,027 | 28,757 |
| Net income tax paid | (2,642) | (3,894) |
| Net cash flows generated from operating activities | 22,385 | 24,863 |
| Net cash flows generated from investing activities | 6,353 | 347 |
| Net cash flows used in financing activities | (27,078) | (10,849) |
| Net changes in cash and cash equivalents | 1,660 | 14,361 |
| Effects of exchange rate changes | 36 | 145 |
| Cash and cash equivalents at 1 January | 107,652 | 172,658 |
| Cash and cash equivalents at 31 March (Note 14) | 109,348 | 187,164 |
| | 31 March | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Cash and bank balances, representing cash and cash equivalents | 144,751 | 143,055 |
| Less: Cash restricted in use | | |
| - Debt Service Reserve Account | (35,000) | (35,000) |
| - Fixed deposits pledged for borrowing | (403) | (403) |
| Net cash and cash equivalents | 109,348 | 107,652 |

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 2021.

The audited financial statements of the Group for the year ended 31 December 2021 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 2021.

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 yet been applied by the Group:

| Description | Effective for financial periods beginning on or after |
|---|--|
| Interest Rate Benchmark Reform – Phase 2 | 1 January 2021 |
| Amendments to MFRS 4 – Insurance Contracts | 1 January 2021 |
| Amendments to MFRS 7 – Financial Instruments: Disclosures | 1 January 2021 |
| Amendments to MFRS 9 – Financial Instruments | 1 January 2021 |
| Amendments to MFRS 6 – Leases | 1 January 2021 |
| Amendments to MFRS 139 – Financial Instruments: Recognition and Measurement | 1 January 2021 |

The adoption of the above standards and interpretations did not have a significant impact on the financial statements in the period of application.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2021 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 31 March 2022.

5. Material Changes in Estimates

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial period under review.

7. 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.

8. Contingencies

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

9. Commitments

Capital expenditure

Property, plant and equipment:

- Approved but not contracted for

| 31 March 2022 RM'000 |
|-------------------------------------|
| 33,800 |
| 33,800 |

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

Current Quarter Ended 31 March 2021 (3 months)

| | Services | | Marine Assets | | Production and Development | | Adjustments and eliminations | | Group | |
|----------------------------------|---------------|---------------|---------------|---------------|----------------------------|---------------|------------------------------|---------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Revenue (RM'000) | | | | | | | | | | |
| External customers | 15,793 | 35,890 | 6,330 | 21,025 | 21,674 | 20,920 | - | - | 43,797 | 77,835 |
| Inter-segment | 1,629 | 2,101 | 8,104 | 14,407 | - | - | (9,733) | (16,508) | - | - |
| Total revenue | 17,422 | 37,991 | 14,434 | 35,432 | 21,674 | 20,920 | (9,733) | (16,508) | 43,797 | 77,835 |
| Results (RM'000) | | | | | | | | | | |
| Segment results | (2,353) | 1,373 | (18,035) | (6,604) | 2,707 | 3,543 | (1,223) | (1,281) | (18,904) | (2,969) |
| Finance costs | (393) | (205) | (4) | (2) | (166) | (383) | - | - | (563) | (590) |
| Share of results of associate | - | - | - | - | (156) | (352) | - | - | (156) | (352) |
| Segment profit/(loss) before tax | (2,746) | 1,168 | (18,039) | (6,606) | 2,385 | 2,808 | (1,223) | (1,281) | (19,623) | (3,911) |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. 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 lower revenue of RM43.8 million, as compared to RM77.8 million reported in corresponding quarter of the preceding year. As a result, the Group recorded loss before taxation of RM19.6 million in Q1 2022 as compared to RM3.9 million in the preceding year's corresponding quarter.

- Services Segment

The segment revenue for the current quarter decrease from RM38.0 million in Q1 2021 to RM17.4 million in Q1 2022. Lower revenue recorded in Q1 2022 resulted from lower activities in existing contracts. As a result, the segment recorded loss before taxation of RM2.7 million in Q1 2022 as compared to profit before tax RM1.2 million in Q1 2021.

- Marine Assets Segment

The segment recorded revenue of RM14.4 million in the current quarter due to lower vessel utilisation arising from delays in mobilisation of the Group's marine assets, as compared to RM35.4 million in Q1 2021. As a result, the segment recorded higher loss before taxation of RM18.0 million in Q1 2022 as compared to RM6.6 million in Q1 2021.

- Production and Development Segment

The segment recorded revenue of RM21.7 million in the current quarter as compared to RM20.9 million in Q1 2021. However, the segment recorded lower profit before taxation of RM2.4 million in Q1 2022 as compared to RM2.8 million in Q1 2021.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. Loss before taxation

Included in the loss before taxation are the following items:

| | <i>Current quarter</i> | |
|---------------------------------------|-------------------------------------|-------------------------------------|
| | <i>3 months ended</i> | |
| | 31 March 2022 RM'000 | 31 March 2021 RM'000 |
| Interest income | (584) | (490) |
| Interest expense | 563 | 590 |
| Gain on foreign exchange - realised | (30) | - |
| Gain on foreign exchange - unrealised | (37) | (144) |
| Depreciation charge | | |
| - property, plant and equipment | 6,748 | 7,452 |
| - right-of-use asset | 7,694 | 7,617 |

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

12. Income tax expense

| | <i>Current quarter</i> | |
|----------------------|-------------------------------------|-------------------------------------|
| | <i>3 months ended</i> | |
| | 31 March 2022 RM'000 | 31 March 2021 RM'000 |
| Current income tax: | | |
| Malaysian income tax | (886) | (1,069) |

13. Loss per share (sen)

The calculation of basic loss per share as at 31 March 2022 and 31 March 2021 was based on the loss for the financial year and a weighted average numbers of ordinary shares outstanding, calculated as follows:

| | 31 March 2022 RM'000 | 31 March 2021 RM'000 |
|---|-------------------------------------|-------------------------------------|
| Loss for the financial year | (20,509) | (4,980) |
| Weighted average numbers of shares ('000) | 320,942 | 320,942 |
| Basic/diluted loss per share (sen) | (6.39) | (1.55) |

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted loss per share are the same as basic loss per share.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Cash and bank balances

| | 31 March 2022 RM'000 | 31 December 2021 RM'000 |
|---|-------------------------------------|--|
| Short term deposits with licensed banks | 105,825 | 109,677 |
| Cash at banks and on hand | 38,926 | 33,378 |
| | 144,751 | 143,055 |

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

| | 31 March 2022 RM'000 | 31 December 2021 RM'000 |
|--|-------------------------------------|--|
| Cash and bank balances, representing cash and cash equivalents | 144,751 | 143,055 |
| Less: Cash restricted in use | | |
| - Debt Service Reserve Account | (35,000) | (35,000) |
| - Fixed deposits pledged for borrowing | (403) | (403) |
| Net cash and cash equivalents | 109,348 | 107,652 |

15. Loans and borrowings

| | 31 March 2022 RM'000 | 31 December 2021 RM'000 |
|------------------------------|-------------------------------------|--|
| Short term borrowings | | |
| Secured | 20,693 | 32,837 |

The Group is not exposed to any transactional currency risk as the borrowings are denominated in RM.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

16. 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 March 2022 and 31 March 2021:

| | 31 March 2022 RM'000 | 31 March 2021 RM'000 |
|--|-------------------------------------|-------------------------------------|
| Rental of buildings paid to parties related to a Corporate Shareholder | 411 | 411 |

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.

17. 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.

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

18. Performance review

Explanatory comment on the performance of each of the Group's business segments is provided in Note 10.

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

The Group revenue of RM43.8 million was lower by 43.4% compared to immediate preceding quarter. This is mainly due to decrease in client's activities executed for HuC/TMM contract.

The Group recorded loss before taxation of RM19.6 million as compared to profit before taxation of RM12.4 million in Q4 2021, in line with the decrease in activities occurred during Q1 2022.

20. Commentary on prospects

There are signs that the industry is recovering from a period of low activities. The Group is cautiously optimistic and will explore for new opportunities within the energy sector while continuing its cost management and improving its execution efficiency.

21. Profit Forecast

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

22. Corporate Proposals

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

23. Derivative Financial Instruments

The Group did not enter into any derivatives during the period ended 31 March 2022 nor for the previous year ended 31 December 2021.

24. 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 March 2022.

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

25. Changes in Material Litigations

As at 31 March 2022, there was no material litigation against the Group.

26. 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 20 May 2022.