



PETRA ENERGY BERHAD
20501036241 (718388-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED
31 MARCH 2023

PETRA ENERGY BERHAD
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Condensed Consolidated Statements of Comprehensive Income

	Note	<i>Current quarter 3 months ended</i>	
		31 March 2023 Unaudited RM'000	31 March 2022 Unaudited RM'000
Revenue		81,503	43,798
Cost of sales		(81,023)	(59,637)
Gross profit/(loss)		480	(15,839)
Other income		928	930
Administrative expenses		(5,477)	(4,579)
Loss from operations		(4,069)	(19,488)
Finance income		615	584
Finance costs		(1,547)	(563)
Share of results of an associate		-	(156)
Loss before taxation	11	(5,001)	(19,623)
Income tax expense	12	(890)	(886)
Loss for the financial period, representing total comprehensive expense for the financial period		(5,891)	(20,509)
Loss per share (sen)			
Basic/ diluted	13	(1.84)	(6.39)

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 March 2023 Unaudited RM'000	31 December 2022 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		186,617	192,402
Right-of-use assets		71,122	80,890
Investment in associate		3,331	3,331
Deferred tax asset		7,503	7,503
		268,573	284,126
Current assets			
Inventories		8,130	7,182
Trade and other receivables		43,952	28,789
Amount due from an associate company		60	60
Contract assets		107,805	114,141
Tax recoverable		10,437	10,885
Cash and bank balances	14	162,703	184,824
		333,087	345,881
Total Assets		601,660	630,007
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		93,812	109,332
Total equity		371,808	387,328
Non-current liabilities			
Lease liabilities		29,736	38,170
Deferred tax liabilities		22	22
		29,758	38,192
Current liabilities			
Lease liabilities		28,651	30,243
Loans and borrowings	15	50,898	36,860
Trade and other payables		109,759	129,980
Contract liabilities		1,080	908
Income tax payable		77	77
Dividend payable		9,629	6,419
		200,094	204,487
Total liabilities		229,852	242,679
Total equity and liabilities		601,660	630,007
Net assets per share of RM0.50 each		1.16	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 2023	299,809	(31,000)	(840)	10,027	109,332	387,328
Loss for the financial period, representing total comprehensive expense for the financial period	-	-	-	-	(5,891)	(5,891)
<u>Transactions with owners:</u>						
Interim dividend in respect of financial year ended 31 December 2022	-	-	-	-	(9,629)	(9,629)
As at 31 March 2023	299,809	(31,000)	(840)	10,027	93,812	371,808
As at 1 January 2022	299,809	(31,000)	(840)	10,027	109,094	387,090
Profit for the financial year	-	-	-	-	13,076	13,076
Other comprehensive income for the financial year	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	13,076	13,076
<u>Transactions with owners:</u>						
Interim dividend in respect of the financial year ended 31 December 2021	-	-	-	-	(6,419)	(6,419)
Interim dividend in respect of the financial year ended 31 December 2022	-	-	-	-	(6,419)	(6,419)
As at 31 December 2022	299,809	(31,000)	(840)	10,027	109,332	387,328

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 2023	31 March 2022
	Unaudited	Unaudited
	RM'000	RM'000
Loss before tax	(5,001)	(19,623)
Adjustments for:		
Finance income	(615)	(584)
Finance costs	1,547	563
Depreciation charge		
- property, plant and equipment	7,246	6,748
- right-of-use asset	9,888	7,694
Unrealised foreign exchange gain	-	(37)
Share of results of associate	-	156
Total adjustments	18,066	14,540
Operating cash flows before changes in working capital	13,065	(5,083)
Changes in working capital:		
Inventories	(949)	(1,417)
Trade and other receivables	(8,826)	37,727
Trade and other payables	(20,184)	(6,887)
Contract liabilities	172	687
Total changes in working capital	(29,787)	30,110
Cash flows (used in)/generated from operations	(16,722)	25,027
Net income tax paid	(442)	(2,642)
Net cash flows (used in)/generated from operating activities	(17,164)	22,385
Net cash flows (used in)/generated from investing activities	(846)	6,353
Net cash flows used in financing activities	(4,073)	(27,078)
Net changes in cash and cash equivalents	(22,083)	1,660
Effects of exchange rate changes	(38)	36
Cash and cash equivalents at 1 January	148,234	107,652
Cash and cash equivalents at 31 March	126,113	109,348
Cash and bank balances, representing cash and cash equivalents	162,703	144,751
Less: Cash restricted in use		
- Debt Service Reserve Account	(36,187)	(35,000)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	126,113	109,348

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 2022.

The audited financial statements of the Group for the year ended 31 December 2022 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 2022.

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
Amendments to MFRS 16 ‘Covid-19-Related Rent Concessions beyond 30 June 2021	1 January 2022
Amendments to MFRS 116 ‘Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 ‘Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS 9 ‘Fees in the ‘10 per cent’ test for Derecognition of Financial Liabilities	1 January 2022
Annual Improvements to MFRS 1 ‘Subsidiary as First-time Adopter	1 January 2022
Annual Improvements to Illustrative Example accompanying MFRS 16 Leases : Lease Incentives	1 January 2022
Annual Improvements to MFRS 141 ‘Taxation in Fair Value Measurements	1 January 2022
Amendments to MFRS 3 ‘References to Conceptual Framework	1 January 2022

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 2022 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 2023.

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 2023 RM'000
105,300
105,300

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

Current Quarter Ended 31 March 2023 (3 months)

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue (RM'000)										
External customers	59,074	37,467	22,429	6,330	-	-	-	-	81,503	43,797
Inter-segment	1,503	2,101	19,693	14,407	-	-	(21,196)	(16,508)	-	-
Total revenue	60,577	39,568	42,122	20,737	-	-	(21,196)	(16,508)	81,503	43,797
Results (RM'000)										
Segment results	5,420	354	(7,188)	(18,035)	-	-	(1,686)	(1,223)	(3,454)	(18,904)
Finance costs	(1,545)	(559)	(2)	(4)	-	-	-	-	(1,547)	(563)
Share of results of associate	-	-	-	-	-	(156)	-	-	-	(156)
Segment profit/(loss) before tax	3,875	(205)	(7,190)	(18,039)	-	(156)	(1,686)	(1,223)	(5,001)	(19,623)

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 revenue of RM81.5 million, as compared to RM43.8 million reported in corresponding quarter of the preceding year. The Group recorded loss before taxation of RM5.0 million in Q1 2023 as compared to RM19.6 million in the preceding year's corresponding quarter.

- Services Segment

The segment revenue for the current quarter increase from RM39.6 million in Q1 2022 to RM60.6 million in Q1 2023. As a result, the segment recorded profit before taxation of RM3.9 million in Q1 2023 as compared to loss before taxation of RM0.2 million in Q1 2022.

- Marine Assets Segment

The segment recorded revenue of RM42.1 million in the current quarter compared to RM20.7 million in Q1 2022. The segment recorded loss before taxation of RM7.2 million in Q1 2023 as compared to RM18.0 million in Q1 2022, in line with higher vessel utilization during the quarter.

- Production and Development Segment

The associate has ceased its operations and is under the Member's Voluntary Liquidation (MVL) which is in progress.

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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 2023 RM'000	31 March 2022 RM'000
Interest income	(615)	(584)
Interest expense	1,547	563
(Gain) on foreign exchange - realised	(159)	(30)
(Gain) on foreign exchange - unrealised	-	(37)
Depreciation charge		
- property, plant and equipment	7,246	6,748
- right-of-use asset	9,888	7,694

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 2023 RM'000	31 March 2022 RM'000
Current tax:		
Malaysian income tax	(890)	(886)

13. Loss per share (sen)

The calculation of basic loss per share as at 31 March 2023 and 31 March 2022 was based on the loss for the financial year and a weighted average numbers of ordinary shares outstanding, calculated as follows:

	31 March 2023 RM'000	31 March 2022 RM'000
Loss for the financial year	(5,891)	(20,509)
Weighted average numbers of shares ('000)	320,942	320,942
Basic/diluted loss per share (sen)	(1.84)	(6.39)

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 2023 RM'000	31 December 2022 RM'000
Short term deposits with licensed banks	98,511	113,171
Cash at banks and on hand	64,192	71,653
	162,703	184,824

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

	31 March 2023 RM'000	31 December 2022 RM'000
Cash and bank balances, representing cash and cash equivalents	162,703	184,824
Less: Cash restricted in use		
- Debt Service Reserve Account	(36,187)	(36,187)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	126,113	148,234

15. Loans and borrowings

	31 March 2023 RM'000	31 December 2022 RM'000
Short term borrowings		
Secured	50,898	36,860

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 2023 and 31 March 2022:

	31 March 2023 RM'000	31 March 2022 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 RM81.5 million was lower by RM28.9 million or 26.2% compared to immediate preceding quarter of RM110.4 million. This is mainly due to lower vessel utilisation, coupled with lower activities executed in the existing contract during the quarter.

As a result, the Group recorded loss before taxation of RM5.0 million as compared to profit before taxation of RM2.4 million in Q4 2022.

20. Commentary on prospects

After several years of low activities, the industry appears to be recovering due to higher oil and spot LNG prices as demand outstrips supply aggravated by the impact of the Ukraine war. However, the Group remains guarded against over optimism and will continue to pursue other opportunities within the industry and cost management and improving its execution efficiencies.

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 2023 nor for the previous year ended 31 December 2022.

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 2023.

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

25. Changes in Material Litigations

As at 31 March 2023, 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 22 May 2023.