



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED
31 DECEMBER 2023**

PETRA ENERGY BERHAD
200501036241 (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>	
		31 December 2023 Unaudited RM'000	31 December 2022 Unaudited RM'000	31 December 2023 Unaudited RM'000	31 December 2022 Audited RM'000
Revenue		138,190	110,383	553,532	370,724
Cost of sales		(102,341)	(97,340)	(442,187)	(335,900)
Gross profit		35,849	13,043	111,345	34,824
Other income		357	(1,849)	3,262	2,745
Administrative expenses		(8,381)	(7,581)	(31,088)	(23,941)
Other expenses		(2,998)	(1,145)	(15,493)	(3,419)
Profit from operations		24,827	2,468	68,026	10,209
Finance income		926	1,227	3,097	2,595
Finance costs		(1,238)	(1,009)	(6,733)	(2,365)
Share of results of an associate		(8)	(264)	(8)	(420)
Profit before taxation	11	24,507	2,422	64,382	10,019
Income tax credit/(expense)	12	1,885	5,482	(11,158)	3,057
Profit for the financial year		26,392	7,904	53,224	13,076
Other comprehensive income for the financial period, net of tax		-	78	-	-
Profit for the financial period, representing total comprehensive income for the financial period		26,392	7,982	53,224	13,076
Earnings per share (sen)					
Basic/ diluted	13	8.22	2.46	16.58	4.07

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 2023 Unaudited RM'000	31 December 2022 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		147,613	184,889
Exploration and evaluation		70,497	7,513
Right-of-use assets		44,072	80,890
Investment in associate		473	3,331
Deferred tax asset		10,523	7,503
		273,178	284,126
Current assets			
Inventories		4,803	7,182
Trade and other receivables		58,792	25,382
Amount due from an associate company		-	60
Amount due from JV partners		24,642	3,407
Contract assets		84,428	114,141
Tax recoverable		5,414	10,885
Cash and bank balances	14	225,155	184,824
		403,234	345,881
Total Assets		676,412	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		130,460	109,332
Total equity		408,456	387,328
Non-current liabilities			
Lease liabilities		5,397	38,170
Deferred tax liabilities		-	22
		5,397	38,192
Current liabilities			
Lease liabilities		26,585	30,243
Loans and borrowings	15	25,529	36,860
Trade and other payables		182,668	129,980
Contract liabilities		2,373	908
Income tax payable		2,910	77
Dividend payable		22,494	6,419
		262,559	204,487
Total liabilities		267,956	242,679
Total equity and liabilities		676,412	630,007
Net assets per share of RM0.50 each		1.27	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
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	53,224	53,224
<u>Transactions with owners:</u>						
Interim dividend in respect of financial year ended 31 December 2022	-	-	-	-	(9,629)	(9,629)
Interim dividend in respect of financial year ended 31 December 2023	-	-	-	-	(9,629)	(9,629)
Special dividend in respect of financial year ended 31 December 2023	-	-	-	-	(12,838)	(12,838)
As at 31 December 2023	299,809	(31,000)	(840)	10,027	130,460	408,456
As at 1 January 2022	299,809	(31,000)	(840)	10,027	109,094	387,090
Profit for the financial year, representing 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>12 months ended</i>	
	31 December 2023	31 December 2022
	Unaudited	Audited
	RM'000	RM'000
Profit before tax	64,382	10,019
Adjustments for:		
Finance income	(3,097)	(2,595)
Finance costs	6,733	2,365
Depreciation charge		
- property, plant and equipment	24,807	23,508
- right-of-use asset	39,926	23,109
Loss on disposal of property, plant and equipment	567	(157)
Impairment loss on trade and other receivables	134	2,738
Impairment loss on property, plant and equipment	13,895	-
Unrealised foreign exchange gain	216	(845)
Share of results of associate	(8)	420
Total adjustments	83,173	48,543
Operating cash flows before changes in working capital	147,555	58,562
Changes in working capital:		
Inventories	2,382	(5,248)
Trade and other receivables	(54,780)	13,881
Contract assets	29,713	(11,277)
Trade and other payables	46,439	21,446
Contract liabilities	1,465	(3,080)
Total changes in working capital	25,219	15,722
Cash flows generated from operations	172,774	74,284
Net income tax paid	(5,896)	(7,350)
Net cash flows generated from operating activities	166,878	66,934
Net cash flows used in investing activities	(59,014)	(133)
Net cash flows used in financing activities	(67,625)	(26,277)
Net changes in cash and cash equivalents	40,239	40,524
Effects of exchange rate changes	(301)	58
Cash and cash equivalents at 1 January	148,234	107,652
Cash and cash equivalents at 31 December (Note 14)	188,172	148,234
Cash and bank balances, representing cash and cash equivalents	225,155	184,824
Less: Cash restricted in use		
- Debt Service Reserve Account	(36,580)	(36,187)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	188,172	148,234

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 unaudited condensed consolidated interim financial statements have 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. The unaudited condensed consolidated interim financial statements are in compliance with IAS 34 “Interim Financial Reporting”.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2022.

The significant 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.

The following MFRS and Amendments to MFRS have been issued by the Malaysian Accounting Standards Board but are not yet effective to the Group:

Description	Effective for financial periods beginning on or after
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising From a Single Transaction	1 January 2023
Amendments to MFRS 16 Lease liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024

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 December 2023.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

5. Material Changes in Estimates

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

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

Approved but not contracted for:

- Exploration and evaluation assets
- Property, plant and equipment

31 December 2023 RM'000
27,944
-
27,944

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(i) Current Quarter Ended 31 December 2023 (3 months)

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Revenue (RM'000)										
External customers	78,001	81,302	60,189	29,081	-	-	-	-	138,190	110,383
Inter-segment	8,298	1,972	41,140	25,557	-	-	(49,438)	(27,529)	-	-
Total revenue	86,299	83,274	101,329	54,638	-	-	(49,438)	(27,529)	138,190	110,383
Results (RM'000)										
Segment results	12,537	1,598	20,742	9,011	-	-	(7,526)	(6,914)	25,753	3,695
Finance costs	(1,234)	(1,005)	(4)	(4)	-	-	-	-	(1,238)	(1,009)
Share of results of associate	-	-	-	-	(8)	(264)	-	-	(8)	(264)
Segment profit/(loss) before tax	11,303	593	20,738	9,007	(8)	(264)	(7,526)	(6,914)	24,507	2,422

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(ii) Current Year-to-date Ended 31 December 2023 (12 months)

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Revenue (RM'000)										
External customers	343,309	243,893	210,223	126,831	-	-	-	-	553,532	370,724
Inter-segment	17,552	7,279	156,032	104,516	-	-	(173,584)	(111,795)	-	-
Total revenue	360,861	251,172	366,255	231,347	-	-	(173,584)	(111,795)	553,532	370,724
Results (RM'000)										
Segment results	43,759	11,104	51,375	17,944	-	-	(24,011)	(16,244)	71,123	12,804
Finance costs	(6,718)	(2,349)	(15)	(16)	-	-	-	-	(6,733)	(2,365)
Share of results of associate	-	-	-	-	(8)	(420)	-	-	(8)	(420)
Segment profit/(loss) before tax	37,041	8,755	51,360	17,928	(8)	(420)	(24,011)	(16,244)	64,382	10,019

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(iii) Total Assets as at 31 December 2023

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Total assets										
Segment assets	363,295	333,881	30,329	12,844	-	-	-	-	393,624	346,725
Property, plant and equipment	6,298	5,288	140,483	179,485	-	-	-	-	146,781	184,773
Exploration and evaluation	-	-	-	-	70,497	7,513	-	-	70,497	7,513
Right-of-use assets	42,444	79,039	-	-	-	-	-	-	42,444	79,039
Investment in associate	-	-	-	-	473	3,331	-	-	473	3,331
	412,037	418,208	170,812	192,329	70,970	10,844	-	-	653,819	621,381
Unallocated corporate asset									831	116
Property, plant and equipment									1,628	1,852
Right-of-use assets									13,565	5,092
Cash and bank balances									6,569	1,566
Others										
Total									676,412	630,007

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 RM138.2 million, as compared to RM110.4 million reported in corresponding quarter of the preceding year. The Group recorded profit before taxation of RM24.5 million in Q4 2023 as compared to RM2.4 million in the preceding year's corresponding quarter.

- Services Segment

The segment recorded revenue of RM86.3 million in Q4 2023 as compared to RM83.3 million in Q4 2022. As a result, the segment recorded higher profit before taxation of RM11.3 million in Q4 2023 as compared to RM0.6 million in Q4 2022 due to product mix margin between the quarters.

- Marine Assets Segment

The segment recorded revenue of RM101.3 million in the current quarter due to higher vessel utilisation as compared to RM54.6 million in Q4 2022. The segment recorded profit before taxation of RM20.7 million in Q4 2023 as compared to RM9.0 million in Q4 2022.

- Production and Development Segment

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information (cont'd)

Current period compared with the corresponding period of the preceding year (twelve-months)

For the current twelve-months period under review, the Group recorded revenue of RM553.5 million, as compared to RM370.7 million reported in the preceding year's corresponding period. The Group recorded profit before taxation of RM64.4 million in the current period as compared to RM10.0 million in the preceding year's corresponding period.

- Services Segment

The segment revenue for the current twelve-months period increase to RM360.9 million from RM251.2 million in the preceding year's corresponding period. Higher revenue recorded in current period resulted from higher activities in existing services contracts. The segment recorded profit before taxation of RM37.0 million in current period as compared RM8.8 million in the preceding year's corresponding period, mainly due to higher revenue recorded on projects executed.

- Marine Assets Segment

The segment recorded revenue of RM366.3 million in the current twelve-months period due to higher vessel utilisation as compared to RM231.3 million in the preceding year's corresponding period. As a result, the segment recorded profit before taxation of RM51.4 million as compared to profit before tax of RM17.9 million in the preceding year's corresponding period.

- 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. Profit before taxation

Included in the profit before taxation are the following items:

	<i>Current quarter</i>		<i>Cumulative period</i>	
	<i>3 months ended</i>		<i>12 months ended</i>	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(926)	(1,227)	(3,097)	(2,595)
Interest expense	1,238	1,009	6,733	2,365
Loss/(gain) on foreign exchange - realised	1,032	(94)	1,758	(409)
Loss/(gain) on foreign exchange - unrealised	78	1,958	216	(845)
Impairment of trade and other receivables	134	1,198	134	3,533
Impairment of property, plant and equipment	1,895	-	13,895	-
Loss on disposal of property, plant and equipment	553	(159)	567	(157)
Depreciation charges				
- Property, plant and equipment	2,684	3,311	24,807	23,508
- Right-of-use asset	10,107	3,739	39,926	23,109

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>Cumulative period</i>	
	<i>3 months ended</i>		<i>12 months ended</i>	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current year	4,520	251	14,646	4,870
- Under/(over) provision in prior year	-	434	(446)	(841)
Deferred tax	(6,405)	(6,167)	(3,042)	(7,086)
	(1,885)	(5,482)	11,158	(3,057)

13. Earnings per share (sen)

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

	31 December	31 December
	2023	2022
	RM'000	RM'000
Profit for the financial year	53,224	13,076
Weighted average numbers of shares ('000)	320,942	320,942
Basic/diluted earnings per share (sen)	16.58	4.07

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

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Cash and bank balances

	31 December 2023 RM'000	31 December 2022 RM'000
Short term deposits with licensed banks	88,490	113,171
Cash at banks and on hand	136,671	71,653
	255,161	184,824

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

	31 December 2023 RM'000	31 December 2022 RM'000
Cash and bank balances, representing cash and cash equivalents	225,161	184,824
Less: Cash restricted in use		
- Debt Service Reserve Account	(36,580)	(36,187)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	188,178	148,243

15. Loans and borrowings

	31 December 2023 RM'000	31 December 2022 RM'000
Short term borrowings		
Secured	25,529	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 December 2023 and 31 December 2022:

	31 December 2023 RM'000	31 December 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 RM138.2 million was lower by RM10.9 million or 7.3% compared to immediate preceding quarter of RM149.1 million. This is mainly due to lower activities executed in the existing contract during the quarter. As a result, the Group recorded lower profit before taxation of RM24.5million as compared to RM25.6 million in Q3 2023.

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. However, the Group remains guarded against over optimism and will continue to pursue other opportunities within the industry. Cost management and improving its execution efficiencies remains a priority.

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 December 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 December 2023.

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

25. Changes in Material Litigations

As at 31 December 2023, there was no material litigation against the Group.

26. Dividend Payable

The Board has declared a single tier interim dividend of 4 sen per ordinary shares of RM0.50 each on 320,942,200 ordinary shares for the period ending 31 December 2023, amounting to a dividend payable of RM12,837,688. The dividend will be paid on 29 March 2024 to shareholders whose name appear in the Record of Depositors at the close business on 8 March 2024.

27. 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 February 2024.