

PETRA PERDANA BERHAD (PPB)
(Company No: 372113-A)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

1. Accounting Policies

The financial statements of the Group are prepared using the same accounting policies, method of computation and basis of consolidation as those used in the preparation of the most recent annual financial statements.

2. Exceptional Item

There was no exceptional item arising for the current quarter and financial year to-date.

3. Extraordinary Item

There was no extraordinary item arising for the current quarter and financial year to-date.

4. Taxation

The provisions of taxation for the current quarter and financial year to-date under review are as follows:

	Current Quarter RM'000	Year to-date RM'000
Provision of taxation	1,214	2,207

The effective tax rate for the current quarter and current year to-date are approximately 27% and 28% respectively, incorporating the effect of certain expenses being disallowed for taxation purposes and lower statutory taxation rate from the foreign subsidiary.

5. Profits on Sales of Investments/Properties

There were no profits on sale of investments and/or properties for the current quarter and financial year to-date.

6. Quoted Investment

(a) There were no purchases or disposal of quoted investment for the current quarter and financial year to-date.

(b) There are no investments in quoted securities as at the reporting period.

7. Effect of Changes in Composition of Group

There were no changes in the composition of the Group for the current quarter and financial year to-date.

8. The Status of Corporate Proposals

(a) The status of corporate proposals announced but not completed as at 25th August 2002 are as follows:

- (i) Proposed Bonus Issue of 13,666,667 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every three (3) existing shares held.
- (ii) Proposed Rights Issue of 6,833,333 new ordinary shares of RM1.00 each at an indicative issue price of RM1.65 per ordinary share on the basis of one (1) new ordinary share for every six (6) existing shares held.
- (iii) Proposed increase in the authorised share capital of PPB from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM100,000,000 comprising of 100,000,000 ordinary shares;
- (iv) Proposed Transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of PPB from the Second Board to the Main Board of the Kuala Lumpur Stock Exchange upon completion of the proposals (i) to (iv) above.

The company had sent out a circular and notice to shareholders on 14th August 2002, to seek the shareholders' approval on the abovementioned proposals (i) to (iv) which will be tabled at the forth coming Extraordinary General Meeting of the Company to be convened at 6-8, Jalan 3/3C, Batu 7 Jalan Ipoh, 68100 Kuala Lumpur, on 30 August 2002.

(d) The status of the extension of time for the balance of unutilized proceeds of RM1.924 million arising from the Initial Public Offering (IPO) announced on the last quarterly result on 30th May 2002 (reference no: PP-020514-47439) are illustrated as follows:

Utilisation of IPO proceeds	Revised time- frame for 12 months to 20.4.03	Amount Utilised as at 30.6.02	Balance Unutilised as at 30.6.02
1. Setting up of a factory and an office for the Fabrication Division	1,483,000	77,000	1,406,000
2. Upgrading of design and engineering capabilities, research and development capabilities and quality assurance system. • Quality System & Training	441,000	-	441,000
Total	1,924,000	77,000	1,847,000

On 19th April 2002, the Board of Directors of PPB has approved for the further extension of twelve (12) months to 20th April 2003 for the balance unutilized of RM1,924,000. The unutilised balance is mainly reserved for the acquisition of plant and machinery under the fabrication division.

9. Issuance of Equity or Debts Securities

There were no issuance and repayment of debt, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial year to-date, except for the new 1,000,000 ordinary shares of RM1.00 each issued under the private placement exercise that had been completed on 11th July 2002 and were subsequently listed on the Second Board of The Kuala Lumpur Stock Exchange.

10. Borrowings and Debt Securities

Total Group borrowings (Secured) as at 30 June 2002 were as follows :

	RM'000
Short term:	
Banker Acceptance	12,220
Revolving Credit	10,000
Hire Purchase Creditors	434
Finance Lease Creditors	60
	22,714
Long term:	
Term Loan	2,840
Hire Purchase Creditors	607
Finance Lease Creditors	30
	3,477
	<u>26,191</u>

11. Contingent Liabilities

As at 30 June 2002, the Company has given corporate guarantees amounting to approximately RM72 million to licensed banks and finance companies for facilities granted to a subsidiary company. The Company is contingently liable for the amount utilized approximately of RM26.2 million as at 30 June 2002.

12. Financial Instruments with off balance sheet risk

The Group does not have any financial instruments with off-balance sheet risk as at 25 August 2002, the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report.

13. Material Litigation

The Group is not engaged in any material litigation as at 25 August 2002, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

14. Segmental Reporting – Current Financial Year To-Date.

Financial data by geographical area of the Group	Turnover RM'000	Profit Before Taxation RM'000	Assets Employed RM'000
Malaysia	111,523	7,741	137,295
Singapore	1,831	124	2,680
	113,354	7,865	139,975

15. Material Changes in Quarterly Results

The Group recorded a net profit before taxation of RM4.49 million for the current quarter or 37% higher compared to RM3.28 million achieved in the preceding quarter ended 30 June 2001. The increased was mainly attributed to the higher revenue registered from Integrated Services, Engineering and Maintenance and Supply of Engineered Equipment divisions.

16. Review of Performance

The Group's turnover had increased by 58% from RM72 million recorded in the preceding period ended 30 June 2001 to RM113 million in the current period ended 30 June 2002. The higher revenue was mainly contributed by the factors as mentioned in the note 15 above. As a result of that, the net profit before taxation had increased by 5.6% to RM7.86 million from RM7.44 million recorded in preceding period ended 30 June 2001.

17. Subsequent Material Events

There are no material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period, made up to a date not earlier than 7 days from the date of issue of the quarterly report.

18. Seasonal/Cyclical Factors

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

19. Current Year Prospects

Barring any unforeseen circumstances, the Board of Directors are confident that the performance of the Group will continue to grow for the financial year ending 31 December 2002.

20. Variations of Actual Profit from Forecast Profit and Profit Guarantee

Not applicable in this Quarter

21. Dividend

There is no dividend proposed in respect of the financial period ended 30 June 2002.