

PETRA PERDANA BERHAD (Company No. 372113 - A)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30-Sep-02 RM'000	Corresponding Quarter Ended 30-Sep-01 RM'000	Current Year-to-date Ended 30-Sep-02 RM'000	Corresponding Year-to-date Ended 30-Sep-01 RM'000
Revenue	70,422	68,670	183,776	140,583
Operating expenses	(63,598)	(63,151)	(168,436)	(127,733)
Other operating income	77	103	206	305
Profit from operation	<u>6,901</u>	<u>5,622</u>	<u>15,546</u>	<u>13,155</u>
Finance costs	(336)	(79)	(1,117)	(172)
Profit before taxation	<u>6,565</u>	<u>5,543</u>	<u>14,429</u>	<u>12,983</u>
Taxation	(1,849)	(1,403)	(4,056)	(3,584)
Profit after taxation	<u><u>4,716</u></u>	<u><u>4,140</u></u>	<u><u>10,373</u></u>	<u><u>9,399</u></u>
Earning per share (sen)				
a) Basic (based on weighted average)	11.53	10.35	25.74	23.50
b) Fully diluted	11.50	10.35	25.30	23.50

(The condensed Consolidated Income Statements should be read in conjunction with the annual financial report for the year ended 31 December 2001)

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FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

CONDENSED CONSOLIDATED BALANCE SHEET

	Current Quarter 30-Sep-02 RM'000	Preceding FYE 31-Dec-01 RM'000
Property, plant and equipment	25,405	25,536
Current assets		
Inventories	32,999	35,334
Trade receivables	65,087	42,991
Other receivables	8,702	5,319
Fixed deposits with licensed bank	4,177	4,827
Cash and bank balances	4,418	4,245
	115,383	92,716
Current liabilities		
Trade payables	32,122	26,116
Other payables	10,519	8,730
Borrowings	10,760	8,012
Proposed Dividend	56	2,304
Provision for taxation	3,488	2,443
	56,945	47,605
Net current assets	58,438	45,111
	83,843	70,647
Financed by :-		
Capital and reserves		
Share capital	41,000	40,000
Reserves	38,370	25,740
	79,370	65,740
Long term borrowings	3,372	3,806
Deferred taxation	1,101	1,101
	83,843	70,647
Net tangible assets per share (RM)	1.94	1.64

(The condensed Consolidated Balance Sheet should be read in conjunction with the annual financial report for the year ended 31 December 2001)

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FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30-Sep-02 RM'000
Cash Flow from Operating activities	
Profit before taxation	14,429
Adjustment for non-cash flow items:	
Depreciation and amortisation of property, plant & equipment	3,117
Interest expense	1,117
Interest income	(56)
Foreign currency translation difference	100
Gain or loss on disposal of property, plant & equipment	(15)
	18,692
Operating profit before working capital changes	18,692
Decrease in inventories	2,335
Increase in trade and other receivables	(25,069)
Decrease in trade and other payables	7,795
	3,753
Net cash generated from/(used in) operation	3,753
Taxation	(3,011)
	742
Net cash flow generated from/(used in) operating activities	742
Cash Flow Investing activities	
Withdrawal of fixed deposit	657
Addition to property, plant & equipment	(2,984)
Proceeds from disposal of property, plant & equipment	20
Interest income received	56
Intangible assets incurred	(411)
Net cash used in investing activities	(2,662)
Cash Flow Financing activities	
Issue of shares	3,150
Proceeds from bank borrowings	4,733
Repayment of hire purchase & lease creditors	(405)
Dividend paid	(2,248)
Interest paid	(1,117)
Net cash generated from financing activities	4,113
Net change in cash & cash equivalents	2,193
Cash & cash equivalents at beginning of period	4,125
Cash & cash equivalents at end of period	6,318

Note: There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 Interim Financial Reporting

(The condensed Consolidated Balance Sheets should be read in conjunction with the annual financial report for the year ended 31 December 2001)

PETRA PERDANA BERHAD (Company No. 372113 - A)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
Financial year ending 31 December 2002						
Balance as at 1 January 2002	40,000	9,125	4,018	(138)	12,735	65,740
Add: Net profit for the period	-	-	-	-	10,373	10,373
Private placement exercise	1,000	2,150	-	-	-	3,150
Currency translation difference	-	-	-	107	-	107
Balance as at 30 September 2002	<u>41,000</u>	<u>11,275</u>	<u>4,018</u>	<u>(31)</u>	<u>23,108</u>	<u>79,370</u>
Financial year ended 31 December 2001						
Balance as at 1 January 2001	40,000	9,125	4,018	(31)	3,877	56,989
Add: Net profit for the period	-	-	-	-	9,399	9,399
Currency translation difference	-	-	-	14	-	14
Balance as at 30 September 2001	<u>40,000</u>	<u>9,125</u>	<u>4,018</u>	<u>(17)</u>	<u>13,276</u>	<u>66,402</u>

(The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial report for the year ended 31 December 2001)

PETRA PERDANA BERHAD (Company No: 372113-A)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

1. Accounting Policies

The interim financial report has been prepared in accordance with MASB 26 Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Kuala Lumpur Stock Exchange. The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the annual financial statement for the year ended 31 December 2001

2. Declaration of audit qualification

The preceding annual financial statements of the Group were not subject to any qualification.

3. Seasonality or cyclical factors

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

4. Nature and amount of affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There are no unusual items for the current financial quarter.

5. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period

There are no changes in the estimates of amounts, which give a material effect in the current financial quarter.

6. Issuance, cancellation, repurchase, resale and repayment of debts and equity securities

During the third quarter ended 30 September 2002, the Company increased its issued and paid up capital from RM 40,000,000 to RM 41,000,000 by allotment of 1,000,000 new ordinary shares of RM 1.00 each in conjunction with the private placement exercise.

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current financial quarter.

7. Dividend paid

A final dividend of 8% per share less 28% of tax amounting to RM 2,304,000 in respect of the previous financial year was paid on 31 July 2002.

PETRA PERDANA BERHAD (Company No: 372113-A)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

8. Segmental reporting

Financial data by geographical area of the Group	Turnover RM'000	Profit Before Taxation RM'000	Assets Employed RM'000
Malaysia	179,865	14,216	137,502
Singapore	3,911	213	3,286
	183,776	14,429	140,788

9. Valuation of property, plant and equipment

There are no valuation of property, plant and equipment during the current financial quarter.

10. Material event subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period reported that have not been reflected in the financial statements for the interim period.

11. Changes in Composition of Group

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

12. Changes in the contingent liabilities

As at 30 September 2002, the Company has given corporate guarantees amounting to approximately RM81.6 million to licensed banks and finance companies for facilities granted to subsidiary companies. Hence, the Company is contingently liable for the amount utilized approximately of RM14.1 million.

13. Significant related party transactions

Significant related party transactions entered into with substantial shareholders companies are

	Quarter ended 30 Sep 02 RM'000	Financial year ended 31 Dec 01 RM'000
Rental paid to KNS Property Sdn Bhd	275	305
Subcontracted to Damai Teknik Sdn Bhd	956	959

PETRA PERDANA BERHAD (Company No: 372113-A)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

The transactions are entered in the normal course of business and are based on terms mutually agreed upon between the parties concerned

14. Taxation

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

	Quarter ended 30 Sep 02 RM'000	Financial year to date 31 Dec 01 RM'000
Current Taxation	<u>1,849</u>	<u>4,056</u>

The effective tax rate for the current quarter and current year to-date is 28.2%, which is slightly higher than the statutory tax rate of 28%. The higher effective tax rate was mainly due to certain expenses being disallowed for taxation purposes.

15 Profit on sale of unquoted Investment and properties

There were no purchases or disposal of unquoted investment and properties for the current quarter and financial year to-date.

16 Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities for the current quarter and financial year to date and the Group did not hold any quoted securities as at the end of current quarter

17 Corporate proposals

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

- 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
- Rights Issue of 6,833,333 new ordinary shares of RM1.00 each at an issue price of RM1.65 per ordinary share on the basis of one (1) new ordinary share for every six (6) existing shares held
- 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
- 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 KLSE upon completion of the above proposals.

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(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

The Company has announced on the 5th November 2002 pertaining to the Rights Issue price fixing at RM1.65 per ordinary shares and the book closure date for the entitlement of the Rights Issue is fixed on 22nd November 2002

- (b) The status of the extension of time for the balance of unutilized proceeds of RM 1.924 million arising from the initial public offering (IPO) announced on the 1st quarter results on 30th May 2002 (ref no: PP-020514-47439) are illustrated as follows:

Utilization of IPO proceeds	Revised time frame for 12 months to 20.04.03 RM'000	Amount Utilised as at 30.09.02 RM'000	Balance Unutilised as at 30.09.02 RM'000
1. Setting up of a factory and an office for the Fabrication Division	1,483	350	1,133
2. Upgrading of research and development capabilities and quality assurance system.			
• Quality System & Training	441	-	441
Total	<u>1,924</u>	<u>350</u>	<u>1,574</u>

The unutilized balance of RM1.13 million is mainly set aside for the acquisition of plant and machinery under the Fabrication division and the balance of RM 0.44 million is for the Fabrication Division's quality system & training in line with the factory's preparation for ISO 9002 certification.

18. Borrowings and debt securities

Total Group's borrowings as at 30 September 2002 were as follows:

Secured borrowings	RM'000
Short term	10,760
Long term	3,372
Total	<u>14,132</u>

The above borrowings are denominated in Ringgit Malaysia

19. Financial instruments with off balance sheet risk

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

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002

20. Material litigation

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

21. Comparison with immediate preceding quarter

The Group recorded a net profit before taxation of RM6.56 million for the current quarter or 46.1% higher compared to RM4.49 million achieved in the preceding quarter ended 30 June 2002. The increase was mainly attributed to higher revenue registered from the Integrated Services, Engineering & Maintenance Services and Supply of Engineered Equipment divisions.

22. Review of performance

The Group's turnover had increased by 30.7% from RM140.6 million recorded in the preceding period ended 30 September 2001 to RM183.7 million in the current period ended 30 September 2002. The higher turnover was mainly contributed by the factors as mentioned in the note 21 above.

Profit before taxation for the current period ended 30 September 2002 of RM6.56 million reflect a 18.4% higher as compared to the preceding period ended 30 September 2001 of RM5.54 million. The increase in profit before taxation were mainly in line with the increase in turnover.

23. Current year prospect

Barring any unforeseen circumstances, the Board of Directors is confident that the performance of the Group will remain stable for the financial year ending 31 December 2002

24. Profit forecast or guarantee

Not applicable

25. Dividends

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

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FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

26. Earning per share

Basic	Current quarter RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	4,716	10,373
Number of ordinary shares in issue at the beginning of the quarter/period	40,000	40,000
Effect of the allotment under the private placement exercise	900	300
Weighted average number of ordinary shares in issue	40,900	40,300
Basic earning per ordinary share (sen)	11.53	25.74
Fully diluted	Current quarter RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	4,716	10,373
Number of ordinary shares in issue at the beginning of the quarter/period	40,000	40,000
Effect of the allotment under the private placement exercise	1,000	1,000
Weighted average number of ordinary shares in issue	41,000	41,000
Basic earning per ordinary share (sen)	11.50	25.30