

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Dec-02 RM'000	Corresponding Quarter Ended 31-Dec-01 RM'000	Current Year-to-date Ended 31-Dec-02 RM'000	Corresponding Year-to-date Ended 31-Dec-01 RM'000
Revenue	69,361	33,884	253,137	174,467
Operating expenses	(66,911)	(30,616)	(235,347)	(158,438)
Other operating income	29	(23)	235	371
Profit from operation	2,479	3,245	18,025	16,400
Finance costs	(224)	(169)	(1,341)	(341)
Profit before taxation	2,255	3,076	16,684	16,059
Taxation	(847)	(1,134)	(4,903)	(4,718)
Profit after taxation	1,408	1,942	11,781	11,341
Pre-acquisition profit/(loss)	-	161	-	161
Profit attributable to shareholders	1,408	2,103	11,781	11,502
Earning per share (sen) - Note				
a) Basic (based on weighted average)	3.43	5.26	29.11	28.76
b) Fully diluted	3.43	5.26	28.73	28.76

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

Note:

The basic earnings per share for the year has been calculated using the weighted average number of shares issued of 40,473,493 (2001: 40,000,000) after the inclusion of the new 1,000,000 ordinary shares of RM1.00 each issued under the private placement exercise during the year.

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CONDENSED CONSOLIDATED BALANCE SHEET

	Current Year 31-Dec-02 RM'000	Preceding FYE 31-Dec-01 RM'000
Property, plant and equipment	24,722	25,536
Intangible Assets	446	-
Current assets		
Inventories	31,044	35,334
Trade receivables	61,446	42,991
Other receivables	6,631	5,319
Fixed deposits with licensed bank	4,201	4,827
Cash and bank balances	6,734	4,245
	110,056	92,716
Current liabilities		
Trade payables	25,942	26,116
Other payables	10,133	8,730
Borrowings	10,833	8,012
Proposed Dividend	-	-
Provision for taxation	3,125	2,443
	50,033	45,301
Net current assets	60,023	47,415
	85,191	72,951
Financed by :-		
Capital and reserves		
Share capital	41,000	40,000
Reserves	39,820	28,044
	80,820	68,044
Long term borrowings	3,270	3,806
Deferred taxation	1,101	1,101
	85,191	72,951
Net tangible assets per share (RM)	1.96	1.70

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

Note: The Intangible assets of RM0.44 million are the incidental expenditures incurred in relation to the Bonus & Rights Issues exercise by the Company, it will be adjusted to the share premium account upon completion of the above Corporate exercise on 23 January 2003.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31-Dec-02 RM'000
Cash Flow from Operating activities	
Profit before taxation	16,684
Adjustment for non-cash flow items:	
Depreciation and amortisation of property, plant & equipment	4,759
Interest expense	1,341
Interest income	(21)
Foreign currency translation difference	149
Gain or loss on disposal of property, plant & equipment	(6)
Written-off of property, plant and equipment	121
Operating profit before working capital changes	23,027
Decrease in inventories	4,291
Increase in trade and other receivables	(19,768)
Decrease in trade and other payables	1,181
Net cash generated from operation	8,731
Taxation	(4,219)
Net cash flow generated from operating activities	4,512
Cash Flow From Investing activities	
Withdrawal of fixed deposit	638
Purchase of property, plant & equipment	(4,089)
Proceeds from disposal of property, plant & equipment	29
Interest income received	21
Net cash used in investing activities	(3,401)
Cash Flow From Financing activities	
Issue of shares	3,150
Proceeds from bank borrowings	7,940
Repayment of bank borrowings	(3,639)
Dividend paid	(2,259)
Interest paid	(1,341)
Intangible assets incurred	(446)
Net cash generated from financing activities	3,405

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31-Dec-02 RM'000
Net change in cash & cash equivalents	4,516
Cash & cash equivalents at beginning of year	<u>4,124</u>
Cash & cash equivalents at end of year	<u><u>8,640</u></u>
 Cash and Cash Equivalent	
Cash in hand and at bank	6,734
Fixed deposits with licensed bank	<u>4,201</u>
	10,935
Less: Fixed deposits pledged as security	<u>(2,295)</u>
	<u><u>8,640</u></u>

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)**

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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 ended 31 December 2002						
As at 31 December 2001						
As previously reported	40,000	9,125	4,018	(138)	12,735	65,740
Prior year adjustment - Proposed Dividend	-	-	-	-	2,304	2,304
	<u>40,000</u>	<u>9,125</u>	<u>4,018</u>	<u>(138)</u>	<u>15,039</u>	<u>68,044</u>
Add: Net profit for the year	-	-	-	-	11,781	11,781
Private placement exercise	1,000	2,150	-	-	-	3,150
Currency translation difference	-	-	-	149	-	149
Less: Dividend paid for the year ended 31 December 2001	-	-	-	-	(2,304)	(2,304)
	<u>41,000</u>	<u>11,275</u>	<u>4,018</u>	<u>11</u>	<u>24,516</u>	<u>80,820</u>
Financial year ended 31 December 2001						
As at 31 December 2000						
As previously reported	40,000	9,125	4,018	(31)	3,877	56,989
Prior year adjustment - Proposed Dividend	-	-	-	-	2,304	2,304
	<u>40,000</u>	<u>9,125</u>	<u>4,018</u>	<u>(31)</u>	<u>6,181</u>	<u>59,293</u>
Add: Net profit for the year	-	-	-	-	11,162	11,162
Currency translation difference	-	-	-	(107)	-	(107)
Less: Dividend paid for the year ended 31 December 2000	-	-	-	-	(2,304)	(2,304)
	<u>40,000</u>	<u>9,125</u>	<u>4,018</u>	<u>(138)</u>	<u>15,039</u>	<u>68,044</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)

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1. Accounting Policies

The interim financial statements have 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.

In accordance with the MASB 19 on “event after the balance sheet date”, the group has changed its accounting policies with respect to the recognition of dividend declared or proposed. In the previous financial year, the final dividend was accrued as a liability after it has been proposed by the Directors. In the current financial year, the final dividend will be recognized as a liability after approval by the shareholders at the forthcoming AGM. This changed has been accounted for retrospectively and has the effect of increasing the consolidated retained profits for the year ended 31 December 2001 by RM2,304,000 and net tangible asset per share to RM1.70.

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 year.

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 year.

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

There have been no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current financial year except for the following:

Issued and paid-up ordinary shares of RM1.00 each	No. of Shares	RM
As at 1 January 2002	40,000,000	40,000,000
Add: New shares issued under private placement	1,000,000	1,000,000
As at 31 December 2002	<u>41,000,000</u>	<u>41,000,000</u>

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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 ended 31 December 2001 was paid on 31 July 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	245,601	16,285	130,098
Singapore	7,536	399	5,126
	<u>253,137</u>	<u>16,684</u>	<u>135,224</u>

9. Valuation of property, plant and equipment

There is no valuation of property, plant and equipment during the current financial year.

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 except for the completion of the following corporate exercise on 23 January 2003:

- Bonus Issue of 13,666,667 new ordinary shares of RM1.00 allotted on 10 January 2003
- Rights Issue of 6,833,333 new ordinary shares of RM1.00 at RM1.65 per share allotted on 13 January 2003
- Transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of RM61,500,000 comprising of 61,500,000 ordinary shares from the Second Board to the Main Board of the Kuala Lumpur Stocks Exchange on 23 January 2003
- Repayment of RM10 million short-term revolving credit in January 2003.

11. Changes in Composition of Group

There were no changes in the composition of the Group for the current financial year.

12. Changes in the contingent liabilities

As at 31 December 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.

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13. Significant related party transactions

Significant related party transactions entered into with substantial shareholders companies are:

	Financial year ended 31 Dec 02 RM'000	Financial year ended 31 Dec 01 RM'000
Rental paid to KNS Property Sdn Bhd	366	305
Sub-contract fee to Damai Teknik Sdn Bhd	1,488	959

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 31 Dec 02 RM'000	Financial year to date 31 Dec 02 RM'000
Current Taxation	847	4,903

The effective tax rate for the current quarter and current year to-date are 37.6% and 29.4% respectively, which were higher than the statutory tax rate of 28%. The higher effective tax rate was mainly attributed to the tax charge relates to tax on profits of certain subsidiaries cannot be set off against losses of other subsidiaries for tax purposes as group relief is not available.

The effective tax rate of the group is also higher than the statutory tax rate as certain expenses are not deductible for tax purposes.

15 Profit on sale of unquoted Investment and properties

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

16 Purchase or disposal of quoted securities

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

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17 Corporate proposals

- (a) There is no corporate proposal that had been announced but not completed as at 22 February 2003.
- (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:

	Revised time frame for 12 months to 20.04.03 RM'000	Amount Utilised as at 31.12.02 RM'000	Balance Unutilised as at 31.12.02 RM'000
Utilization of IPO proceeds			
1. Setting up of a factory and an office for the Fabrication Division	1,483	850	633
2. Upgrading of research and development capabilities and quality assurance system.			
• Quality System & Training	441	-	441
Total	1,924	850	1,074

The unutilized balance of RM0.63 million is mainly set aside for the purchase of plant and machinery under the Fabrication division and the balance of RM0.44 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 31 December 2002 were as follows:

Secured borrowings	RM'000
Short term	10,833
Long term	3,270
Total	14,103

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 of 22 February 2003.

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20. Material litigation

The Group is not engaged in any material litigation as of 22 February 2003.

21. Comparison with immediate preceding quarter

The Group turnover decreased marginally from RM70.4 million to RM69.4 million. However, the profits before taxation of RM2.26 million for the current quarter have reduced substantially by RM4.3 million or 65.5% lower compared to RM6.56 million registered in the preceding quarter ended 30 September 2002. The decreased in profit before taxation was mainly attributed by the following factors:

- a) Sales mix composition for the current quarter was substantially contributed by the lower profit margin making division, i.e. trading division, which is traditionally generating high in value but low in profit
- b) Increased in administrative expenses for the provision of annual bonus in the month of December 2002 for the financial year ended 31 December 2002

22. Review of performance

The Group's turnover had increased by 45% from RM174.5 million recorded in the preceding financial year ended 31 December 2001 to RM253.1 million in the current financial year ended 31 December 2002. The growth in turnover was mainly derived from Maintenance Services and Integrated Services divisions in response to the increased activities by the oil and gas sector. Further more, a few new contracts secured by the Group during the year are also contributing to the growth in turnover.

Profit before taxation for the current financial year ended 31 December 2002 of RM16.7 million reflect a marginal increased of 3.7% as compared to the preceding financial year ended 31 December 2001 of RM16.1 million.

23. Prospects

The Group will continue to focus on providing specialized services within the core business activities and expand the role as Integrated Service Provider to all oil and gas majors locally and abroad. In view of the increased activities by the oil and gas majors, the Board of Directors is expected that the Group will continue to secure more contracts in the coming financial year ending 31 December 2003.

24. Profit forecast or guarantee

Not applicable

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25. Dividends

The Board of Director had proposed a final dividend of 5.2 sen per ordinary share based on 61,500,000 ordinary shares issued and paid-up as at 22 February 2003, less taxation of 28% amounting to RM2,302,560 for the financial year ended 31 December 2002. The proposed dividend is subject to shareholders approval at the forthcoming Annual General Meeting (“AGM”) and Notice of the AGM and the entitlement date will be notified in due course.

26. Earning per share

Basic	Quarter ended RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	1,408	11,781
Number of ordinary shares in issue at the beginning of the year	40,000	40,000
Effect of the allotment under the private placement exercise	1,000	474
Weighted average number of ordinary shares in issue	41,000	40,474
Basic earning per ordinary share (sen)	3.43	29.11
	Quarter ended RM'000	Financial Year to date RM'000
Fully diluted		
Net profit attributable to ordinary shareholders	1,408	11,781
Number of ordinary shares in issue at the beginning of the year	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)	3.43	28.73