

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL PERIOD ENDED 30 JUNE 2003**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30-Jun-03 RM'000	Corresponding Quarter Ended 30-Jun-02 RM'000	Current Year-to-date Ended 30-Jun-03 RM'000	Corresponding Year-to-date Ended 30-Jun-02 RM'000
Revenue	55,614	57,793	118,411	113,354
Operating expenses	(51,038)	(53,133)	(110,734)	(104,838)
Other operating income	115	70	179	129
Profit from operation	4,691	4,730	7,856	8,645
Finance costs	(214)	(239)	(432)	(781)
Profit before taxation	4,477	4,491	7,424	7,864
Taxation	(1,272)	(1,214)	(2,118)	(2,207)
Profit after taxation	3,205	3,277	5,306	5,657
Pre-acquisition profit/(loss)	-	-	-	-
Profit attributable to shareholders	3,205	3,277	5,306	5,657
Earning per share (sen) - Note				
a) Basic (based on weighted average)	5.21	8.19	8.79	14.14
b) Fully diluted	5.21	8.19	8.63	14.14

**(The condensed Consolidated Income Statements should be read in conjunction with the annual
financial report for the year ended 31 December 2002)**

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CONDENSED CONSOLIDATED BALANCE SHEET

	Current Year 30-Jun-03 RM'000	Preceding FYE 31-Dec-02 RM'000
Property, plant and equipment	22,686	24,722
Intangible Assets	-	446
Current assets		
Inventories	32,137	31,044
Trade receivables	50,916	54,092
Amount due from customers	184	7,354
Other receivables	9,452	6,631
Fixed deposits with licensed bank	12,985	4,201
Cash and bank balances	8,898	6,734
	114,572	110,056
Current liabilities		
Trade payables	25,288	25,942
Other payables	7,472	10,133
Borrowings	1,435	10,833
Provision for dividend	2,351	-
Provision for taxation	3,419	3,125
	39,965	50,033
Net current assets	74,607	60,023
	97,293	85,191
Financed by :-		
Capital and reserves		
Share capital	61,500	41,000
Reserves	32,321	39,820
	93,821	80,820
Long term borrowings	2,346	3,270
Deferred taxation	1,126	1,101
	97,293	85,191
Net tangible assets per share (RM)	1.53	1.96

**(The condensed Consolidated Balance Sheet should be read in conjunction with the annual
financial report for the year ended 31 December 2002)**

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30-Jun-03 RM'000
Cash flow from operating activities	
Profit before taxation	7,424
Adjustment for non-cash flow items:	
Depreciation and amortisation of property, plant & equipment	2,498
Interest expense	432
Interest income	(78)
Foreign currency translation difference	(59)
Gain on disposal of property, plant and equipment	(29)
Written-off of property, plant and equipment	8
Operating profit before working capital changes	<u>10,196</u>
Increase in inventories	(1,463)
Decrease in trade and other receivables	876
Decrease in amount due from customers	7,170
Decrease in trade and other payables	<u>(3,634)</u>
Net cash generated from operation	13,145
Taxation	<u>(2,079)</u>
Net cash flow generated from operating activities	<u><u>11,066</u></u>
Cash flow from investing activities	
Purchase of property, plant & equipment	(536)
Proceeds from disposal of property, plant & equipment	67
Interest income received	78
Withdrawal of fixed deposits (with security)	686
Net cash generated from investing activities	<u><u>295</u></u>
Cash flow from financing activities	
Issue of shares	11,731
Repayment of bank borrowings	(10,321)
Interest paid	(432)
Intangible assets incurred	(707)
Dividend paid	(2)
Net cash generated from financing activities	<u><u>269</u></u>
Net change in cash & cash equivalents	11,630
Cash & cash equivalents at beginning of period	<u>8,768</u>
Cash & cash equivalents at end of period	<u><u>20,398</u></u>
Cash and cash equivalent	
Cash in hand and at bank	12,985
Fixed deposits with licensed bank	8,898
	<u>21,883</u>
Less: Fixed deposits pledged as security	<u>(1,485)</u>
	<u><u>20,398</u></u>

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

**(The condensed Consolidated Cash Flow Statement should be read in conjunction
with the annual financial report for the year ended 31 December 2002)**

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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 ending 31 December 2003						
As at 31 December 2002	41,000	11,275	4,018	11	24,516	80,820
Less: Audit Adjustments	-	-	-	2	(515)	(513)
	<u>41,000</u>	<u>11,275</u>	<u>4,018</u>	<u>13</u>	<u>24,001</u>	<u>80,307</u>
Add: Net profit for the period	-	-	-	-	5,306	5,306
Bonus Issue	13,667	(11,275)	-	-	(2,392)	-
Rights Issue	6,833	3,735	-	-	-	10,568
Currency translation difference	-	-	-	(57)	-	(57)
Less: Dividend for the year ended 31 December 2002	-	-	-	-	(2,303)	(2,303)
Balance as at 30 June 2003	<u>61,500</u>	<u>3,735</u>	<u>4,018</u>	<u>(44)</u>	<u>24,612</u>	<u>93,821</u>
Financial year ended 31 December 2002						
As at 31 December 2001						
As previously reported	40,000	9,125	4,018	(140)	13,082	66,085
Less: Audit Adjustments	-	-	-	2	(347)	(345)
Add: 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 period	-	-	-	-	5,605	5,605
Private placement exercise	-	-	-	-	-	-
Currency translation difference	-	-	-	153	-	153
Less: Dividend paid for the year ended 31 December 2001	-	-	-	-	(2,304)	(2,304)
Balance as at 30 June 2002	<u>40,000</u>	<u>9,125</u>	<u>4,018</u>	<u>15</u>	<u>18,340</u>	<u>71,498</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 2002)

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
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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 2002.

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 quarter and financial year to date.

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 quarter and financial year to date.

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 quarter and financial year to date except for the following which was taken place during January 2003.

Issued and paid-up ordinary shares of RM1.00 each	No. of Shares	RM
As at 1 January 2003	41,000,000	41,000,000
New ordinary shares issued pursuant to Bonus Issue	13,666,667	13,666,667
New ordinary shares issued pursuant to Rights Issue	<u>6,833,333</u>	<u>6,833,333</u>
As at 30 June 2003	<u><u>61,500,000</u></u>	<u><u>61,500,000</u></u>

7. Dividend paid

No dividends were paid during the current financial quarter and year to date ended 30 June 2003.

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8. Segmental reporting

Financial data by geographical area of the Group	Turnover RM'000	Profit Before Taxation RM'000	Assets Employed RM'000
Malaysia	113,392	7,416	133,702
Singapore	5,019	8	3,557
	118,411	7,424	137,259

9. Valuation of property, plant and equipment

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

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 quarter and financial year to date.

12. Changes in the contingent liabilities

As at 30 June 2003, the Company has given corporate guarantees amounting to approximately RM112 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 RM3.78 million as at the said date.

13. Significant related party transactions

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

	Quarter ended 30 June 03 RM'000	Quarter ended 30 June 02 RM'000
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	774	173

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

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14. Taxation

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

	Quarter ended 30 June 03 RM'000	Financial year to date 30 June 03 RM'000
Current Taxation	<u>1,272</u>	<u>2,118</u>

The effective tax rate for the current quarter and current year to-date is 28.4% and 28.5% respectively, which were slightly higher than the statutory tax rate of 28%. The higher effective tax rate was mainly due to certain expenses which 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 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 and financial year to date.

17 Corporate proposals

There were no corporate proposals that had been announced but not completed as at 28 August 2003.

18. Borrowings and debt securities

Total Group's borrowings as at 30 June 2003 were as follows:

Secured borrowings	RM'000
Short term	1,435
Long term	<u>2,346</u>
Total	<u>3,781</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 of 28 August 2003.

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20. Material litigation

The Group is not engaged in any material litigation as of 28 August 2003.

21. Comparison with immediate preceding quarter

The Group reported a lower turnover by RM7.2 million or 11.4% to RM55.6 million in the current quarter as compared to RM62.8 million in the preceding quarter ended 31 March 2003. Despite the decrease in turnover, the profits before taxation for the current quarter have improved by RM1.10 million from RM2.10 million registered in the preceding quarter ended 31 March 2003 to RM3.21 million in the second quarter ended 30 June 2003.

The increased in profit before taxation as compared to the immediate preceding quarter was mainly attributed to the factors as follows:-

- a) Improvement in profit contributions from the completion of certain projects in the current quarter and the improvement of operating efficiencies in fabrication division of the Group.
- b) Reduction of certain operating overheads to enhance the Group's competitiveness.

22. Review of performance

The Group turnover in the current quarter of RM55.6 million is lower than the 2nd quarter ended 30 June 2002 by RM2.2 million or 3.8%. The profits before taxation of RM3.2 million for the current quarter have also reduced by RM0.07million from RM3.28 million recorded in the 2nd quarter ended 30 June 2002 which was in tandem with the decrease in turnover.

23. Prospects

The oil and gas industry has always been the fundamental contributing revenue earner for the economy of Malaysia. With the recent discovery of new oil fields in offshore areas, it is anticipated that increased capital expenditure and additional investment in the development of these new discoveries will be the main theme of this industry in the near future.

The Group has been involved in the provision of integrated engineering and maintenance services for the oil and gas industry and with the rapid growing trend in the oil and gas sector, the Group is well positioned to take advantage of the opportunities offered by this promising industry.

24. Profit forecast or guarantee

Not applicable

25. Dividends

There is no dividend proposed in respect of the current quarter ended 30 June 2003.

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26. Earning per share

Weighted Average	Quarter ended RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	3,205	5,306
Number of ordinary shares in issue at the beginning of the year	41,000	41,000
Effect of the issuance pursuant to Bonus Issue	13,667	12,987
Effect of the issuance pursuant to Rights Issue	6,833	6,380
	<u>61,500</u>	<u>60,367</u>
Basic earning per ordinary share (sen)	5.21	8.79
Fully diluted	Quarter ended RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	3,205	5,306
Number of ordinary shares in issue at the beginning of the year	41,000	41,000
Effect of the issuance pursuant to Bonus Issue	13,667	13,667
Effect of the issuance pursuant to Rights Issue	6,833	6,833
	<u>61,500</u>	<u>61,500</u>
Enlarged shares capital	61,500	61,500
Fully diluted per ordinary share (sen)	5.21	8.63