

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

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

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30-Sep-03 RM'000	Corresponding Quarter Ended 30-Sep-02 RM'000	Current Year-to-date Ended 30-Sep-03 RM'000	Corresponding Year-to-date Ended 30-Sep-02 RM'000
Revenue	45,207	70,422	163,618	183,776
Operating expenses	(42,462)	(63,598)	(153,196)	(168,436)
Other operating income	290	77	469	206
Profit from operation	3,035	6,901	10,891	15,546
Finance costs	(172)	(336)	(604)	(1,117)
Profit before taxation	2,863	6,565	10,287	14,429
Taxation	(869)	(1,849)	(2,987)	(4,056)
Profit after taxation	1,994	4,716	7,300	10,373
Pre-acquisition profit/(loss)	-	-	-	-
Profit attributable to shareholders	1,994	4,716	7,300	10,373
Earning per share (sen) - Note				
a) Basic (based on weighted average)	3.24	11.53	12.02	25.74
b) Fully diluted	3.24	11.50	11.87	25.30

**(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-Sep-03 RM'000	Preceding FYE 31-Dec-02 RM'000
Property, plant and equipment	21,603	24,722
Intangible Assets	-	446
Current assets		
Inventories	25,244	31,044
Trade receivables	32,759	54,092
Amount due from customers	1,052	7,354
Other receivables	9,384	6,631
Fixed deposits with licensed bank	12,203	4,201
Cash and bank balances	20,407	6,734
	101,049	110,056
Current liabilities		
Trade payables	14,877	25,942
Other payables	5,140	10,133
Borrowings	1,082	10,833
Provision for dividend	63	-
Provision for taxation	2,222	3,125
	23,384	50,033
Net current assets	77,665	60,023
	99,268	85,191
Financed by :-		
Capital and reserves		
Share capital	61,500	41,000
Reserves	34,359	39,820
	95,859	80,820
Long term borrowings	2,283	3,270
Deferred taxation	1,126	1,101
	99,268	85,191
Net tangible assets per share (RM)	1.56	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-Sep-03	30-Sep-02
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	10,287	14,429
Adjustment for non-cash flow items:		
Depreciation and amortisation of property, plant & equipment	3,723	3,117
Interest expense	604	1,117
Interest income	(178)	(56)
Foreign currency translation difference	(16)	100
Gain on disposal of property, plant and equipment	(20)	(15)
Operating profit before working capital changes	<u>14,400</u>	<u>18,692</u>
Decrease in inventories	5,430	2,335
Decrease/(Increase) in trade and other receivables	19,100	(25,069)
Decrease in amount due from customers	6,302	-
(Decrease)/Increase in trade and other payables	(16,378)	7,795
Net cash generated from operation	<u>28,854</u>	<u>3,753</u>
Taxation	<u>(4,146)</u>	<u>(3,011)</u>
Net cash generated from operating activities	<u>24,708</u>	<u>742</u>
Cash flow from investing activities		
Purchase of property, plant & equipment	(676)	(2,984)
Proceeds from disposal of property, plant & equipment	68	20
Interest income received	178	56
Withdrawal of fixed deposits (with security)	674	657
Net cash generated from/(used in) investing activities	<u>244</u>	<u>(2,251)</u>
Cash flow from financing activities		
Issue of shares	11,731	3,150
Proceeds from bank borrowings	-	4,733
Repayment of bank borrowings	(10,737)	(405)
Interest paid	(604)	(1,117)
Intangible assets incurred	(707)	(411)
Dividend paid	(2,290)	(2,248)
Net cash (used in)/generated from financing activities	<u>(2,607)</u>	<u>3,702</u>
Net change in cash & cash equivalents	22,345	2,193
Cash & cash equivalents at beginning of period	<u>8,768</u>	<u>4,125</u>
Cash & cash equivalents at end of period	<u>31,113</u>	<u>6,318</u>
Cash and cash equivalent		
Cash in hand and at bank	20,407	4,418
Fixed deposits with licensed bank	<u>12,203</u>	<u>4,177</u>
	32,610	8,595
Less: Fixed deposits pledged as security	<u>(1,497)</u>	<u>(2,277)</u>
	<u>31,113</u>	<u>6,318</u>

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

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)
	41,000	11,275	4,018	13	24,001	80,307
Add: Net profit for the period	-	-	-	-	7,300	7,300
Bonus Issue	13,667	(11,275)	-	-	(2,392)	-
Rights Issue	6,833	3,735	-	-	-	10,568
Currency translation difference	-	-	-	(13)	-	(13)
Less: Dividend for the year ended 31 December 2002	-	-	-	-	(2,303)	(2,303)
Balance as at 30 September 2003	61,500	3,735	4,018	-	26,606	95,859
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
	40,000	9,125	4,018	(138)	15,039	68,044
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 September 2002	40,000	9,125	4,018	15	18,340	71,498

(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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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	6,833,333	6,833,333
As at 30 September 2003	<u>61,500,000</u>	<u>61,500,000</u>

7. Dividend paid

A first and final dividend of 5.2% per ordinary share of RM1.00 each less 28% of tax amounting to RM2,302,560.00 in respect of the financial year ended 31 December 2002 was paid on 31 July 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	157,965	10,381	119,274
Singapore	5,653	(94)	3,378
	<u>163,618</u>	<u>10,287</u>	<u>122,652</u>

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 except for as stated in notes 15 and 17, which 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 September 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 RM3.37 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 September 03 RM'000	Quarter ended 30 September 02 RM'000
Rental paid to KNS Property Sdn Bhd	<u>92</u>	<u>92</u>
Sub-contract fee to Damai Teknik Sdn Bhd	<u>310</u>	<u>321</u>

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 September 03 RM'000	Financial year to date 30 September 03 RM'000
Current Taxation	869	2,987

The effective tax rate for the current quarter and current year to-date is 30.4% and 29.0% respectively, which were 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 purchase or disposal of unquoted investment and properties for the current quarter and financial year to date.

However, the subsidiary company of PPB, namely Petra Resources Sdn Bhd has entered into a sale and purchase agreement on 22 September 2002 to dispose off two pieces of vacant lands located at Shah Alam to Majestic Oxygen Industry Sdn Bhd for a total cash consideration of RM3,459,360.00. The disposal is expected to result in PPB recognizing a gain on the disposal of assets approximately RM500,000.00 in the last quarter of financial year ending 31 December 2003 before taking into consideration of the Real Property Gain Tax.

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

The corporate proposals announced but not completed as at 18 November 2003 are as follows:

- a. Proposed Private Placement of 6,150,000 new ordinary shares of RM1.00 each in Petra Perdana Berhad ("PPB") ("Shares") at an issue price of RM7.65 per Share ("Proposed Private Placement");
- b. Proposed Share Split whereby every existing one (1) PPB Share will be sub-divided into two (2) ordinary shares of RM0.50 each in PPB ("PPB Split Shares") ("Proposed Share Split"); and
- c. Proposed listing of and quotation for the new Shares to be issued pursuant to the Proposed Private Placement and Proposed Share Split.

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- d. Proposed Acquisition of 3,950,000 ordinary shares of 1.00 each in Intra Oil Services Berhad (“IOS”) representing 52.66% of the Issued and Paid-up share capital of IOS for a cash consideration of RM30,020,000 or RM7.60 per sale share.

18. Borrowings and debt securities

Total Group’s borrowings as at 30 September 2003 were as follows:

Secured borrowings	RM'000
Short term	1,082
Long term	2,283
Total	<u>3,365</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 18 November 2003.

20. Material litigation

The Group is not engaged in any material litigation as of 18 November 2003 except for one of the wholly owned subsidiaries of PPB which has received a Writ Saman and Statement of Claim for payment of a sum of RM610,396.00 on 24 September 2003 from Best Wide Matrix Sdn Bhd. The Writ Saman and Statement of Claim was served on the Company’s solicitors Messrs. Kamarudin & Partners on 10 October 2003 who notified the Company on 14 October 2003.

The Company has instructed Messrs. Kamarudin & Partners to take the necessary action to defend the suit and to counter-claim for of approximately RM2 million for sums due and owing to the Company from Best Wide Matrix Sdn Bhd. The Company has been advised by the solicitors that the prospects of success in the defense and counter-claim are high.

21. Comparison with immediate preceding quarter

The Group reported a lower turnover by RM10.4 million or 18.7% to RM45.2 million in the current quarter as compared to RM55.6 million in the preceding quarter ended 30 June 2003. The profits before taxation for the current quarter have also decreased in line with the lower turnover by RM1.22 million from RM3.21 million registered in the preceding quarter ended 30 June 2003 to RM1.99 million in the third quarter ended 30 September 2003.

The decrease in profit before taxation as compared to the immediate preceding quarter was in tandem with the decrease in turnover.

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22. Review of performance

The Group turnover in the current quarter of RM45.2 million was lower than the 3rd quarter ended 30 September 2002 by RM25.2 million or 35.8%. The profits before taxation of RM1.99 million for the current quarter have also reduced by RM2.73 million from RM4.72 million recorded in the 3rd quarter ended 30 September 2002.

The decrease in turnover and profit before taxation were mainly due to substantial scaling down in project activities resulted from the completion of the primary term of ExxonMobil Exploration Production Malaysia Inc. (EMEPMI) contract as compared to the higher milestones achieved and accounted in the preceding quarter ended 30 September 2002. However, the EMEPMI contract has subsequently been renewed in early September 2003 for another 2 years to September 2005.

23. Prospects

The renewal of maintenance service contract with ExxonMobil Exploration Production Malaysia Inc. (EMEPMI) for another two years is clearly an indication on the strength of the Company in securing major additional work in the oil and gas industry in Malaysia.

Furthermore, the oil and gas industry in Malaysia has been on a growing trend and in fact, the recent announcement of new discoveries and the opening up of marginal oil fields to local consortium has offered opportunities for the service providers such as Petra a good prospect for further expansion.

24. Profit forecast or guarantee

Not applicable

25. Dividends

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

26. Earning per share

Weighted Average	Quarter ended RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	1,994	7,300
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	13,216
Effect of the issuance pursuant to Rights Issue	6,833	6,533
Weighted average number of ordinary shares in issue	61,500	60,749
Basic earning per ordinary share (sen)	3.24	12.02

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Fully diluted	Quarter ended RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	1,994	7,300
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
Enlarged share capital	61,500	61,500
Fully diluted per ordinary share (sen)	3.24	11.87