

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2003**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Dec-03 RM'000	Corresponding Quarter Ended 31-Dec-02 RM'000	Current Year-to-date Ended 31-Dec-03 RM'000	Corresponding Year-to-date Ended 31-Dec-02 RM'000
Revenue	39,687	69,361	203,305	253,137
Operating expenses	(34,250)	(66,911)	(187,446)	(235,347)
Other operating income	49	29	518	235
Profit from operation	5,486	2,479	16,377	18,025
Finance costs	(209)	(224)	(813)	(1,341)
Profit before taxation	5,277	2,255	15,564	16,684
Taxation	(1,561)	(847)	(4,548)	(4,903)
Profit after taxation	3,716	1,408	11,016	11,781
Pre-acquisition profit/(loss)	-	-	-	-
Profit attributable to shareholders	3,716	1,408	11,016	11,781
Earning per share (sen) - Note				
a) Basic (based on weighted average)	6.04	3.43	18.08	29.11
b) Fully diluted	NA	NA	17.91	28.73

**(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 31-Dec-03 RM'000	Preceding FYE 31-Dec-02 RM'000
Property, plant and equipment	20,472	24,722
Intangible Assets	-	446
Current assets		
Inventories	23,158	31,044
Trade receivables	33,149	54,092
Amount due from customers	372	7,354
Other receivables	6,374	6,631
Fixed deposits with licensed bank	26,217	4,201
Cash and bank balances	16,929	6,734
	106,199	110,056
Current liabilities		
Trade payables	15,305	25,942
Other payables	4,595	10,133
Borrowings	1,018	10,833
Provision for dividend	-	-
Provision for taxation	2,746	3,125
	23,664	50,033
Net current assets	82,535	60,023
	103,007	85,191
Financed by :-		
Capital and reserves		
Share capital	61,500	41,000
Reserves	38,130	39,820
	99,630	80,820
Long term borrowings	2,251	3,270
Deferred taxation	1,126	1,101
	103,007	85,191
Net tangible assets per share (RM)	1.62	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

	31-Dec-03	31-Dec-02
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	15,564	16,684
Adjustment for non-cash flow items:		
Depreciation and amortisation of property, plant & equipment	4,897	4,759
Interest expense	813	1,341
Interest income	(253)	(21)
Foreign currency translation difference	40	149
Gain on disposal of property, plant and equipment	(24)	(6)
Written off of property, plant & equipment	-	121
Operating profit before working capital changes	<u>21,037</u>	<u>23,027</u>
Decrease in inventories	7,516	4,291
Decrease/(Increase) in trade and other receivables	21,720	(19,768)
Decrease in amount due from customers	6,982	-
(Decrease)/Increase in trade and other payables	(16,554)	1,181
Net cash generated from operation	<u>40,701</u>	<u>8,731</u>
Taxation	(5,184)	(4,219)
Net cash generated from operating activities	<u>35,517</u>	<u>4,512</u>
Cash flow from investing activities		
Purchase of property, plant & equipment	(721)	(4,089)
Proceeds from disposal of property, plant & equipment	73	29
Interest income received	253	21
Withdrawal of fixed deposits (with security)	661	638
Net cash generated from/(used in) investing activities	<u>266</u>	<u>(3,401)</u>
Cash flow from financing activities		
Issue of shares	11,731	3,150
Proceeds from bank borrowings	-	7,940
Repayment of bank borrowings	(10,833)	(3,639)
Interest paid	(813)	(1,341)
Intangible assets incurred	(707)	(446)
Dividend paid	(2,293)	(2,259)
Net cash (used in)/generated from financing activities	<u>(2,915)</u>	<u>3,405</u>
Net change in cash & cash equivalents	32,868	4,516
Cash & cash equivalents at beginning of year	8,768	4,124
Cash & cash equivalents at end of year	<u>41,636</u>	<u>8,640</u>
Cash and cash equivalent		
Cash in hand and at bank	26,217	6,734
Fixed deposits with licensed bank	16,929	4,201
	<u>43,146</u>	<u>10,935</u>
Less: Fixed deposits pledged as security	(1,510)	(2,295)
	<u>41,636</u>	<u>8,640</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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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 2003						
As at 31 December 2002	41,000	11,275	4,018	11	24,516	80,820
Add / (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 / (Less): Net profit for the period	-	-	-	-	11,016	11,016
Bonus Issue	13,667	(11,275)	-	-	(2,392)	-
Rights Issue	6,833	3,735	-	-	-	10,568
Currency translation difference	-	-	-	42	-	42
Less: Dividend for the year ended 31 December 2002	-	-	-	-	(2,303)	(2,303)
	<u>61,500</u>	<u>3,735</u>	<u>4,018</u>	<u>55</u>	<u>30,322</u>	<u>99,630</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
Add / (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 / (Less): Net profit for the period	-	-	-	-	11,266	11,266
Private placement exercise	1,000	2,150	-	-	-	3,150
Currency translation difference	-	-	-	151	-	151
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>13</u>	<u>24,001</u>	<u>80,307</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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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 items 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 took 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 31 December 2003	<u>61,500,000</u>	<u>61,500,000</u>

7. Dividend paid

A first and final dividend of 5.2 sen 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
Malaysia	197,018	15,869
Singapore	6,287	(305)
	<u>203,305</u>	<u>15,564</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

The subsidiary company of PPB, namely Petra Resources Sdn Bhd has entered into a unit trust fund investment with SBB Mutual Berhad on 14 January 2004 amounting to RM6 million at a price of RM1.1947 per unit. (As at 26 February 2004 : Buying price – RM1.1477 per unit, Selling price – RM1.2223 per unit).

Other than the above and as stated in notes 15 and 17 which have not been reflected in the financial statements for the interim period, there were no material events subsequent to the end of the interim period reported.

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 31 December 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 of approximately RM3.27 million as at the said date.

13. Significant related party transactions

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

	Quarter ended 31 December 03 RM'000	Quarter ended 31 December 02 RM'000
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	425	568

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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 December 03 RM'000	Financial year to date 31 December 03 RM'000
Current Taxation	1,561	4,548

The effective tax rate for the current quarter and current year to-date is 29.6% and 29.2% 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 except for the following:

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 be completed in February 2004 which will result in PPB recognizing a gain on the disposal of assets of approximately RM500,000.00 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 26 February 2004 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");
- c. Proposed listing of and quotation for the new Shares to be issued pursuant to the Proposed Private Placement and Proposed Share Split; and

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- d. Proposed Acquisition of 7,500,000 ordinary shares of RM1.00 each in Intra Oil Services Berhad (“IOS”) representing 100% of the Issued and Paid-up share capital of IOS for a cash consideration of RM57,000,000 or RM7.60 per sale share.

Except for the proposal (d) which is still in the process of submission to the Foreign Investment Committee, the proposal (a) to (c) have been approved by the Malaysia Securities Exchange Berhad on 30 January 2004, Securities Commission and Foreign Investment Committee on 20 February 2004.

18. Borrowings and debt securities

Total Group’s borrowings as at 31 December 2003 were as follows:

Secured borrowings	RM'000
Short term	1,018
Long term	2,251
Total	<u>3,269</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 26 February 2004.

20. Material litigation

The Group is not engaged in any material litigation as of 26 February 2004 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 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 as compared to the immediate preceding quarter by RM5.5 million. The lower revenue is primarily the result of the expected diminishing maintenance work from a major contract secured in 2000 which is subsequently extended in third quarter 2003. The project from this extended contract has been resumed in the first quarter of 2004. The revenue for this current period included an amount of RM3.3 million (3rd quarter ended 30 September 2003 : RM1.8 million) which relates to a disputed unit of measurement of work completed.

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The profit before taxation increased by RM2.4 million and the contribution is largely due to cost-effective margin from certain work completed and the consistent application of cost control measures in direct and administrative overheads.

22. Review of performance

The Group turnover in the current quarter and year to-date, compared to the same corresponding periods in this previous year, has decreased by RM29.7 million and RM49.8 million respectively by reason of the substantial completion of the scheduled maintenance project during the current financial year. Correspondingly, the turnover in the full year also included an amount of RM7.3 million (2002 : nil) which relates to a disputed unit of measurement of work completed.

The profit before taxation in the current quarter increased by RM3.0 million compared to the corresponding period ended 31 December 2002. The increase are mainly due to cost-effective margin from certain work completed, lower provision of bonus and reversal of project provisional costs at the completion stage.

23. Prospects

The renewal of the fully integrated retrofit contract with ExxonMobil Production Malaysia Incorporated (EMEPMI) for another two years is clearly an indication of confidence on the ability of the Company in performing such services in the oil and gas industry in Malaysia.

With the proposed acquisition of Intra Oil Services Berhad, a company providing marine chartering services for oil and gas industry, the scope of business of Petra will be expanded and thus will become more integrated and synergistic than before. Over and above that, the marine services from Intra Oil will complement not only the existing core business which is the forté of the Company, but also in creating more opportunities in engineering contracts from major oil and gas companies especially in the areas of installation, hookup and commissioning work.

24. Profit forecast or guarantee

Not applicable

25. Dividends

The Board of Directors has proposed a final dividend of 5.0 sen per ordinary share of RM1.00 each less 28% of tax amounting to RM2,214,000.00 in respect of the financial year ended 31 December 2003. The proposed dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting ("AGM") and the notice of the AGM and the entitlement date will be notified in due course.

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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	3,716	11,016
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	13,330
Effect of the issuance pursuant to Rights Issue	6,833	6,608
Weighted average number of ordinary shares in issue	61,500	60,938
Basic earning per ordinary share (sen)	6.04	18.08
	Quarter ended RM'000	Financial Year to date RM'000
Fully diluted		
Net profit attributable to ordinary shareholders	3,716	11,016
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)	NA	17.91