

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2004**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Dec-04 RM'000	Corresponding Quarter Ended 31-Dec-03 RM'000	Current Year-to-date Ended 31-Dec-04 RM'000	Corresponding Year-to-date Ended 31-Dec-03 RM'000
Revenue	59,432	39,687	209,983	203,305
Operating expenses	(50,823)	(34,250)	(189,118)	(187,446)
Other operating income	161	49	1,375	518
Profit from operation	8,770	5,486	22,240	16,377
Finance costs	(1,506)	(209)	(3,140)	(813)
Profit before taxation	7,264	5,277	19,100	15,564
Taxation	(1,549)	(1,561)	(5,541)	(4,548)
Profit after taxation	5,715	3,716	13,559	11,016
Pre-acquisition profit (net of taxation)	-	-	(99)	-
Minority interest	-	-	9	-
Profit attributable to shareholders	5,715	3,716	13,469	11,016
Earning per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	4.22	*3.02	10.29	*9.04
b) Fully diluted	4.22	NA	9.95	*8.96

* Comparatives figures are restated based on par value of RM0.50 each.

**(The condensed Consolidated Income Statements should be read in conjunction with the annual
financial report for the year ended 31 December 2003)**

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CONDENSED CONSOLIDATED BALANCE SHEET

	Current Year 31-Dec-04 RM'000	Preceding FYE 31-Dec-03 RM'000
Property, plant and equipment	143,391	20,487
Intangible Assets	21,782	92
Other investment	4,459	-
Current assets		
Inventories	35,962	21,595
Trade and other receivables	100,447	40,477
Amount due from customers	5,583	1,294
Fixed deposits with licensed bank	8,963	26,217
Cash and bank balances	12,659	16,996
	163,614	106,579
Current liabilities		
Trade and other payables	38,807	19,785
Amount due to customers	-	1,216
Borrowings	147,761	1,067
Provision for taxation	-	2,934
	186,568	25,002
Net current (liabilities) / assets	(22,954)	81,577
	146,678	102,156
Financed by :-		
Capital and reserves		
Share capital	67,650	61,500
Reserves	72,401	37,600
	140,051	99,100
Long term borrowings	1,360	2,266
Deferred taxation	5,267	790
	146,678	102,156
Net tangible assets per share of RM0.50 each (RM)	0.87	*0.80

* Comparatives figures are restated based on par value of RM0.50 each.

**(The condensed Consolidated Balance Sheet should be read in conjunction with the annual
financial report for the year ended 31 December 2003)**

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31-Dec-04	31-Dec-03
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	19,100	14,888
Less: Pre-acquisition profit (before taxation)	<u>(1,299)</u>	<u>-</u>
	17,801	14,888
Adjustment for non-cash flow items:		
Depreciation and amortisation of property, plant & equipment	9,733	4898
Loss on disposal of investment	672	-
Gain on disposal of property, plant and equipment	(437)	(42)
Foreign currency translation difference	26	38
Interest expense	3,134	815
Interest income	(277)	(252)
Written off of property, plant & equipment	-	29
	<u>30,652</u>	<u>20,374</u>
Operating profit before working capital changes		
(Increase)/Decrease in inventories	(13,795)	9,079
(Increase)/Decrease in trade and other receivables	(48,942)	20,766
(Increase)/Decrease in amount due from customers	(4,289)	7,202
Increase/(Decrease) in trade and other payables	12,525	(16,672)
(Decrease)/Increase in amount due to customers	(1,216)	74
	<u>(25,065)</u>	<u>40,823</u>
Net cash (used in)/generated from operation		
Taxation	(5,918)	(5,184)
Net cash (used in)/generated from operating activities	<u>(30,983)</u>	<u>35,639</u>
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	(47,073)	-
Purchase of property, plant & equipment	(109,122)	(751)
Purchase of investment	(10,459)	-
Proceeds from disposal of property, plant & equipment	3,561	76
Proceeds from disposal of investment	5,328	-
Interest income received	277	252
(Placement)/Withdrawal of fixed deposits (with security)	(92)	842
	<u>(157,580)</u>	<u>419</u>
Net cash (used in)/generated from investing activities		
Cash flow from financing activities		
Proceeds from issuance of shares	30,012	11,275
Proceeds from issuance of shares to Minority Shareholders	9	-
Share issue expenses	-	(251)
Proceeds from bank borrowings	146,855	-
Repayment of bank borrowings	(1,002)	(10,833)
Interest paid	(3,134)	(815)
Intangible assets incurred	(3,580)	(92)
Dividend paid	(2,214)	(2,293)
Net cash generated from/(used in)financing activities	<u>166,946</u>	<u>(3,009)</u>
Net change in cash & cash equivalents	(21,617)	33,049
Cash & cash equivalents at beginning of year	<u>41,818</u>	<u>8,769</u>
Cash & cash equivalents at end of year	<u><u>20,201</u></u>	<u><u>41,818</u></u>
Cash and cash equivalent		
Cash in hand and at bank	12,659	16,996
Overdraft	-	(66)
Fixed deposits with licensed bank	8,963	26,217
	<u>21,622</u>	<u>43,147</u>
Less: Fixed deposits pledged as security	<u>(1,421)</u>	<u>(1,329)</u>
	<u><u>20,201</u></u>	<u><u>41,818</u></u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction
with the annual financial report for the year ended 31 December 2003)**

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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 2004						
As at 31 December 2003	61,500	3,735	4,018	55	30,322	99,630
Add / (Less): Audit Adjustments	-	-	-	(2)	(528)	(530)
	<u>61,500</u>	<u>3,735</u>	<u>4,018</u>	<u>53</u>	<u>29,794</u>	<u>99,100</u>
Add / (Less): Net profit for the year	-	-	-	-	13,469	13,469
Private placement	6,150	23,862	-	-	-	30,012
Share issue cost	-	(343)	-	-	-	(343)
Currency translation difference	-	-	-	27	-	27
Dividend for the year ended 31 December 2003	-	-	-	-	(2,214)	(2,214)
	<u>67,650</u>	<u>27,254</u>	<u>4,018</u>	<u>80</u>	<u>41,049</u>	<u>140,051</u>
Balance as at 31 December 2004						
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 year	-	-	-	-	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>
Balance as at 31 December 2003						

(The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial report for the year ended 31 December 2003)

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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 Bursa Malaysia. 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 2003.

Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets at the date of acquisition. Goodwill on acquisitions of subsidiaries are included in balance sheet as intangible assets and is capitalised as permanent item. An impairment loss is recognized when the Directors are of the view that there is a diminution in its value which is other than temporary.

Expenditures carried forward is in respect of the cost of major repairs and modification incurred on the vessels. It is capitalised in balance sheet as intangible assets and amortised using the straight line method over their expected benefit, not exceeding a period of 5 years.

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:

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	No. of Shares	RM
Issued and paid-up ordinary shares of RM1.00 / 0.50 each		
As at 1 January 2004	61,500,000	61,500,000
Private Placement	6,150,000	6,150,000
	67,650,000	67,650,000
Subdivision of shares	67,650,000	-
	135,300,000	67,650,000

The Private Placement shares have been issued on 18 May 2004 and granted for listing on 27 May 2004. Subsequently, on 14 July 2004, the entire issued and paid-up share capital of RM67,650,000 of RM1.00 each has been subdivided into 135,300,000 of RM0.50 each and granted for listing on 20 July 2004.

7. Dividend paid

A first and final dividend of 5.0% per ordinary share of RM1.00 each less 28% of tax amounting to RM2,214,000 in respect of the financial year ended 31 December 2003 was paid on 15 July 2004.

8. Segmental reporting

Financial data by geographical area of the Group	Financial year to-date 31 December 2004	
	Turnover RM'000	Profit Before Taxation RM'000
Malaysia	189,860	18,985
Singapore	4,205	(31)
British Virgin Islands	15,918	146
	209,983	19,100

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 other than as stated below which have not been reflected in the financial statements.

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- a. On 22 October 2004, PPB has entered into a Sale and Purchase Agreement with Cergas Meriang Sdn Bhd to acquire a piece of 99 years leasehold land in Bandar Shah Alam, Daerah Petaling, Negeri Selangor for a total cash consideration of RM6.2 million. Petra Fabricators Sdn Bhd, a wholly owned subsidiary of PPB is currently renting the Property as its fabrication plant since year 2000. The acquisition is expected to complete by mid March 2005.
- b. On 10 November 2004, Petra Resources Sdn Bhd, a wholly-owned subsidiary company of PPB had entered into a Memorandum of Agreement to acquire an accommodation / crane barge from Java Marine Lines Pte Ltd by the name of Jaya Installer 3 for total cash consideration of USD13.5 million. The acquisition is completed on 16 February 2005.
- c. On 18 November 2004, Petra Resources Sdn Bhd, a wholly-owned subsidiary company of PPB had entered into a Memorandum of Agreement to acquire an accommodation / crane barge from Java Marine Lines Pte Ltd by the name of Jaya Installer 2 for total cash consideration of USD16.5 million. The acquisition is completed on 27 January 2005.
- d. As disclosed in note 17.

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 except for the following:

- a. On 26 May 2004, Geoseas Technologies Limited (“GTL”) has been incorporated in the British Virgin Islands. GTL has an issued and paid-up share capital of 5,000 ordinary share of USD1.00 each. The shareholdings of PPB in GTL is 51%.
- b. On 9 June 2004, Odin Explorer Navigation Limited (“OENL”) has been incorporated in British Virgin Islands as a wholly owned subsidiary of PPB. OENL has an issued and paid-up share capital of 1,000 ordinary shares of USD1.00 each.
- c. On 1 July 2004, Intra Oil Services Berhad has been acquired as a wholly owned subsidiary of PPB for a cash consideration of RM57,000,000. IOS has an issued and paid-up share capital of 7,500,000 ordinary shares of RM1.00 each.
- d. On 11 November 2004, Petra Asia Limited (“PAL”) has been incorporated in Labuan as a wholly owned subsidiary of PPB. PAL has an issued and paid-up share capital of 2 ordinary shares of USD1.00 each.

12. Changes in the contingent liabilities

As at 31 December 2004, the Company has given corporate guarantees amounting to approximately RM170.6 million to licensed banks and finance companies for facilities granted to subsidiary companies. Hence, the Company is contingently liable for the amount utilized by its subsidiary companies of approximately RM3.7 million as at the said date.

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13. Significant related party transactions

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

	Quarter ended 31 December 04 RM'000	Quarter ended 31 December 03 RM'000
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	190	425

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 04 RM'000	Financial year to date 31 December 04 RM'000
Current Taxation	1,549	5,541

The effective tax rate for the current quarter and current year to-date is 21.3% and 29% respectively. The lower tax rate for the current quarter is mainly due to the higher profits contribution made from offshore subsidiaries, which is not taxable. The higher effective tax rate for the current year 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 disposed off two pieces of vacant lands to Majestic Oxygen Industry Sdn Bhd for a total cash consideration of RM3,459,360. The proceeds from the disposal was received in March 2004, resulting in a gain on the disposal of assets of RM451,107 exempted from Real Property Gain Tax according to Real Property Gain Tax (Exemption) (No.2) Order 2003.

On 22 October 2004, PPB has entered into a Sale and Purchase Agreement with Cergas Meriang Sdn Bhd to acquire a piece of 99 years leasehold land in Bandar Shah Alam, Daerah Petaling, Negeri Selangor for a total cash consideration of RM6.2 million. The purchase is expected to complete by mid March 2005.

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16. Purchase or disposal of quoted securities

The subsidiary company of PPB, namely Petra Resources Sdn Bhd has entered into the following transactions:

Type of Investment	Date	Unit price (RM)	Amount (RM)
<i>a) SBB Dana Al-Ihsan 2</i>			
Purchase cost	14 Jan 2004	1.1947	6,000,000.00
Disposal price	27 May 2004	1.0608	<u>5,327,529.92</u>
Loss on disposal			<u>(672,470.08)</u>
<i>b) SBB Dana Al-Mizan</i>			
Purchase cost	27 May 2004	0.4909	5,327,529.92
Gross Distribution	27 May 2004	8%	<u>(868,206.14)</u>
Book Value			4,459,323.78
Disposal price	17 Feb 2005	0.4328	<u>4,696,995.21</u>
Gain on disposal			<u>237,671.43</u>

Other than the above, 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 24 February 2005 are the proposed acquisition by PPB in the following companies:-

- 21,700,000 ordinary shares of RM1.00 each in Ampangship Marine Sdn Bhd (“AM”) representing 70% equity interest in AM for a cash consideration of USD9.45 million;
- 3,150,000 ordinary shares of SGD1.00 each in Pelangi Mitra Offshore Pte Ltd (“PMO”) representing 70% equity interest in PMO for a cash consideration of USD3.22 million; and
- 1,750,000 ordinary shares of RM1.00 each in Yong Choo Kui Shipyard Sdn Bhd (“YCKS”), representing 70% equity interest in YCKS for a cash consideration of RM22.68 million.

18. Capital Commitment

As at 31 December 2004, the Group has the following capital commitments:

	RM'000
Approved and not contracted for	<u>-</u>
Approved and contracted for	<u>166,162</u>

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19. Borrowings and debt securities

Total Group's borrowings as at 31 December 2004 were as follows:

Secured borrowings	RM'000
Short term	147,761
Long term	1,360
Total	<u>149,121</u>

Included in the short-term borrowings is an amount of RM145.43 million which is denominated in US Dollar.

20. Financial instruments with off balance sheet risk

The Group does not have any financial instruments with off-balance sheet risk as of 24 February 2005.

21. Material litigation

The Group is not engaged in any material litigation as at 24 February 2005 except for Petra Fabricators Sdn Bhd ("PFSB"), a wholly owned subsidiary of PPB which has received a Writ Summons and a Statement of Claims for a total sum of RM1,819,520 from Best Wide Matrix Sdn Bhd ("BWM"), for goods and services rendered.

PFSB has filed a Defence and Counter-claim for a sum of approximately RM2 million being the rectification cost incurred against Best Wide Matrix Sdn Bhd. As at to-date, the claims and counter-claims are still on-going except for the following:-

- in Suit No. KLSC S9-52-1596-04 dated 21 January 2005, BWM is claiming a sum of RM130,100 against PFSB for a breach of contract of supply and services. BWM's summary judgment application is fixed for decision on 20 January 2005. BWM's summary judgment application was granted against PFSB for RM130,100 and interest at the rate of 8% per annum from the date of judgment to the date of settlement.
- in Suit No. KLMC 10E-72-4864-04 dated 21 January 2005, BWM is claiming a sum of RM7,125 against PFSB for breach of contract supply and services, BWM's summary judgment application was granted against PFSB for RM7,125.

22. Comparison with immediate preceding quarter

Turnover recorded for the current quarter was RM59.4 million, a decrease of 17.3% compared with RM71.8 million in the immediate preceding quarter. Despite the lower turnover, the profit before tax for the current quarter has increased to RM7.26 million from RM6.33 million registered in the preceding quarter. The increase is attributed to the contribution from the Marine Services Division in the current quarter that generated higher profit margin as compared to other Maintenance and Services divisions.

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23. Review of performance

For the 12 months ended 31 December 2004, the turnover was RM210 million representing a marginal growth of 3.3% as compared to RM203.3 million in financial year 2003. However, the profit before tax for the 12 months ended increased significantly by 28.3% from RM14.9 million to RM19.1 million. The higher turnover is due to the contribution from the Marine Services Division, i.e. the consolidation of new wholly owned subsidiary company, namely Intra Oil Services Berhad and the acquisition of additional marine vessels whilst the higher profitability was due to the higher profit margin of the Marine Division.

24. Prospects

The Group's expansion into the marine services with the acquisition of Intra Oil Services Berhad, Ampangship Marine Sdn Bhd and Pelangi Mitra Offshore Pte Ltd coupled with the acquisition of more marine vessels, would not only enable the Group to provide a comprehensive range of integrated services to the upstream activities of Malaysia as well as the regional oil and gas industry but also enhances the Group's competitive position in its core engineering and maintenance services.

In addition, the contract awarded recently by Sarawak Shell Berhad and Sabah Shell Petroleum Company Limited for the provision of major maintenance and retrofits services to the topside facilities of the production platforms with an estimated work orders of RM600 million over four years would contribute a steady earnings stream to the Group for the foreseeable future.

Barring any unforeseen circumstances, the Board of Directors is confident that the prospect of the Group remains positive and bright.

25. Profit forecast or guarantee

Not applicable

26. Dividends

The Board of Directors has proposed a final dividend of 2.5 sen per ordinary share of RM0.50 each less 28% of tax amounting to RM2,435,400 in respect of the financial year ended 31 December 2004. The proposed dividend is subject to the shareholders' approval at the forthcoming Annual General ("AGM") Meeting and the notice of the AGM and the entitlement date will be notified in due course.

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27. Earning per share

Weighted Average	Quarter ended RM'000	Financial Year to date RM'000
Net profit attributable to ordinary shareholders	5,715	13,469
Number of ordinary shares in issue at the beginning of the year	61,500	61,500
Effect of the issuance pursuant to Private Placement	6,150	3,932
Effect of the Subdivision of Shares	67,650	65,432
Weighted average number of ordinary shares in issue	135,300	130,864
Basic earning per ordinary share of RM0.50 each (sen)	4.22	10.29
	Quarter ended RM'000	Financial Year to date RM'000
Fully Diluted		
Net profit attributable to ordinary shareholders	5,715	13,469
Number of ordinary shares in issue at the beginning of the year	61,500	61,500
Effect of the issuance pursuant to Private Placement	6,150	6,150
Effect of the Subdivision of Shares	67,650	67,650
Weighted average number of ordinary shares in issue	135,300	135,300
Fully diluted per ordinary share of RM0.50 each (sen)	4.22	9.95