

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL PERIOD ENDED 31 MARCH 2005**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Mar-05 RM'000	Corresponding Quarter Ended 31-Mar-04 RM'000	Current Year-to-date Ended 31-Mar-05 RM'000	Corresponding Year-to-date Ended 31-Mar-04 RM'000
Revenue	69,760	39,812	69,760	39,812
Operating expenses	(56,387)	(38,335)	(56,387)	(38,335)
Other operating income	343	499	343	499
Profit from operation	13,716	1,976	13,716	1,976
Finance costs	(3,594)	(302)	(3,594)	(302)
Profit before taxation	10,122	1,674	10,122	1,674
Taxation	(2,488)	(564)	(2,488)	(564)
Profit after taxation	7,634	1,110	7,634	1,110
Pre-acquisition profit (net of taxation)	-	-	-	-
Minority interest	-	-	-	-
Profit attributable to shareholders	7,634	1,110	7,634	1,110
Earning per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	5.64	* 0.9	5.64	* 0.9
b) Fully diluted	NA	NA	NA	NA

* 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 2004)**

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FINANCIAL PERIOD ENDED 31 MARCH 2005**

CONDENSED CONSOLIDATED BALANCE SHEET

	31-Mar-05	31-Dec-04
	RM'000	RM'000
Property, plant and equipment	290,237	143,390
Intangible assets	30,833	22,324
Other investment	-	4,459
Deferred tax assets	197	197
Current assets		
Inventories	37,687	34,057
Trade and other receivables	149,833	105,079
Amount due from customers	6,029	2,972
Fixed deposits with licensed bank	5,067	8,963
Tax recoverable	1,507	1,507
Cash and bank balances	42,624	13,104
	242,747	165,682
Current liabilities		
Trade and other payables	51,973	38,964
Amount due to customers	-	406
Borrowings	354,499	148,184
Provision for taxation	3,072	1,110
	409,544	188,664
Net current liabilities	(166,797)	(22,982)
	154,470	147,388
Financed by :-		
Capital and reserves		
Share capital	67,650	67,650
Reserves	79,998	72,461
	147,648	140,111
Long term borrowings	1,152	1,365
Deferred taxation	5,670	5,912
	154,470	147,388
Net tangible assets per share of RM0.50 each (RM)	0.86	0.87

**(The condensed Consolidated Balance Sheet should be read in conjunction with the annual
financial report for the year ended 31 December 2004)**

PETRA PERDANA BERHAD (Company No. 372113 - A)
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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL PERIOD ENDED 31 MARCH 2005**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31-Mar-05	31-Dec-04
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	10,122	19,210
Less: Pre-acquisition profit (before taxation)	-	(1,299)
	<u>10,122</u>	<u>17,911</u>
Adjustment for non-cash flow items:		
Amortisation of expenditure carried forward	930	2,191
Depreciation of property, plant & equipment	4,893	7,543
Foreign currency translation difference	(97)	36
Gain on disposal of property, plant and equipment	-	(435)
Interest expense	3,594	2,966
Interest income	(105)	(276)
Gain on disposal of investment	(238)	672
Written off of property, plant & equipment	1	2
	<u>19,100</u>	<u>30,610</u>
Operating profit before working capital changes		
Increase in inventories	(3,630)	(11,902)
Increase in trade and other receivables	(44,754)	(53,258)
Increase in amount due from customers	(3,057)	(1,678)
Increase in trade and other payables	13,009	12,768
Decrease in amount due to customers	(407)	(810)
	<u>(19,739)</u>	<u>(24,270)</u>
Net cash used in operation		
Taxation	(768)	(6,437)
Net cash used in operating activities	<u>(20,507)</u>	<u>(30,707)</u>
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(47,674)
Purchase of property, plant & equipment	(151,741)	(109,124)
Purchase of investment	-	(10,459)
Proceeds from disposal of property, plant & equipment	-	3,561
Proceeds from disposal of investment	4,697	5,328
Payment for expenditure carried forward	(9,439)	(3,152)
Interest income received	105	276
Withdrawal/(Placement) of fixed deposits (with security)	138	(1,890)
	<u>(156,240)</u>	<u>(163,134)</u>
Net cash used in investing activities		
Cash flow from financing activities		
Proceeds from issuance of shares	-	30,012
Proceeds from issuance of shares to Minority Shareholders	-	9
Share issue expenses	-	(251)
Proceeds from bank borrowings	206,928	146,855
Repayment of bank borrowings	(790)	(1,002)
Interest paid	(3,594)	(2,966)
Dividend paid	-	(2,214)
Net cash generated from financing activities	<u>202,544</u>	<u>170,443</u>
Net change in cash & cash equivalents	25,797	(23,398)
Cash & cash equivalents at beginning of period	<u>18,420</u>	<u>41,818</u>
Cash & cash equivalents at end of period	<u>44,217</u>	<u>18,420</u>
Cash and cash equivalent		
Cash in hand and at bank	42,624	13,104
Overdraft	(392)	(427)
Fixed deposits with licensed bank	<u>5,067</u>	<u>8,962</u>
	47,299	21,639
Less: Fixed deposits pledged as security	<u>(3,082)</u>	<u>(3,219)</u>
	<u>44,217</u>	<u>18,420</u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction
with the annual financial report for the year ended 31 December 2004)**

PETRA PERDANA BERHAD (Company No. 372113 - A)
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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005

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 2005						
As at 31 December 2004	67,650	27,254	4,018	80	41,049	140,051
Add / (Less): Audit Adjustments	-	-	-	96	(36)	60
	<u>67,650</u>	<u>27,254</u>	<u>4,018</u>	<u>176</u>	<u>41,013</u>	<u>140,111</u>
Add / (Less): Net profit for the period	-	-	-	-	7,634	7,634
Private placement	-	-	-	-	-	-
Share issue cost	-	-	-	-	-	-
Currency translation difference	-	-	-	(97)	-	(97)
Dividend for the year ended 31 December 2004	-	-	-	-	-	-
	<u>67,650</u>	<u>27,254</u>	<u>4,018</u>	<u>79</u>	<u>48,647</u>	<u>147,648</u>
Balance as at 31 March 2005						
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						

(The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial report for the year ended 31 December 2004)

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005

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 2004.

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 period 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 period 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 period to date.

7. Dividend paid

No dividend was paid during the current quarter and financial period to date.

8. Segmental reporting

Financial data by geographical area of the Group	Financial period to-date	
	31 March 2005	
	Turnover	Profit
	RM'000	Before
		Taxation
		RM'000
Malaysia	66,876	8,891
Singapore	871	(116)
British Virgin Islands	2,013	1,347
	<u>69,760</u>	<u>10,122</u>

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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005

9. Valuation of property, plant and equipment

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

a. 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. The acquisition was completed on 1 April 2005.
- 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. The acquisition was completed on 1 April 2005.

b. On 11 April 2005, the wholly-owned subsidiary of PPB, namely Intra Oil Services Bhd has entered into a Memorandum of Agreement to dispose a vessel by the name of Kundasang to Marine Logistics Solutions, a company incorporated in the United Arab Emirates for a total cash consideration of USD 3.9 million.

c. On 29 April 2005, the Company has terminated the share sale agreement dated 29 October 2004 in respect of the proposed acquisition of 70% equity interest in Yong Choo Kui Shipyard Sdn Bhd (“YCKS”) as PPB is not reasonably satisfied with the findings of the due diligence exercises conducted on YCKS.

d. On 4 May 2005, the Company has entered into a Sale and Purchase Agreement to acquire a 4½ storey shop office with lease period expiring on 24 May 2075 for a total cash consideration of RM1.8 million to facilitate the centralisation of the subsidiary companies, namely Intra-Oil Services Berhad and Ampangship Marine Sdn Bhd with the existing operation of PPB Group.

11. Changes in Composition of Group

There were no changes in the composition of the Group for the current quarter and financial period to date.

12. Changes in the contingent liabilities

As at 31 March 2005, the Company has given corporate guarantees amounting to approximately RM124.2 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 RM4.7 million as at the said date.

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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005

13. Significant related party transactions

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

	Quarter ended 31 March 05 RM'000	Quarter ended 31 March 04 RM'000
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	147	315

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 period to date under review are as follows:

	Quarter ended 31 March 05 RM'000	Financial period to date 31 March 05 RM'000
Current Taxation	2,488	2,488

The effective tax rate for the current quarter and current period to-date is 24.6%. The lower tax rate for the current quarter is mainly due to the higher profits contribution made from offshore subsidiaries, which is not taxable.

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 period to date except for the following:

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 completed in March 2005.

16. Purchase or disposal of quoted securities

On 17 February 2005, the subsidiary company of PPB, namely Petra Resources Sdn Bhd has disposed off an unit trust SBB Dana Al-Mizan for a sales proceeds of RM4,696,995.21, resulting in a gain of RM237,671.43.

Other than the above, there were no purchases or disposals of quoted securities for the current quarter and financial period to date and the Group did not hold any quoted securities as at the end of current quarter and financial period to date.

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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005

17. Corporate proposals

The Group does not have any corporate proposals announced but not completed as of 25 May 2005.

18. Capital Commitment

As at 31 March 2005, the Group has the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	1,800

19. Borrowings and debt securities

Total Group's borrowings as at 31 March 2005 were as follows:

Secured borrowings	RM'000
Short term	354,499
Long term	1,152
Total	355,651

Included in the short-term borrowings is an amount of RM341 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 25 May 2005.

21. Material litigation

The Group is not engaged in any material litigation as at 25 May 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 RM1,071,899 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. The directors are of the opinion the prospect of success in the defence and counter-claim are high.

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005**

22. Comparison with immediate preceding quarter

Turnover recorded for the current quarter is RM69.8 million, a 11.5% increase as compared with RM62.6 million in the immediate preceding quarter. The increase in turnover has resulted in a higher profit before tax of RM10.1 million registered in the current quarter, an improvement of RM2.6 million from RM7.5 million reported in the preceding quarter. The increase is mainly attributed to the contribution from the Maintenance and Retrofits Services Division and Marine Services Division in the current quarter.

23. Review of performance

The turnover for the current quarter has almost doubled to RM69.8 million as compared to RM39.8 million achieved in preceding quarter ended March 2004. Correspondingly, the profit before tax in the current quarter has also increased significantly from RM1.1 million to RM7.6 million. The higher turnover and profit before tax is due to the contribution from the new major contract awarded to Maintenance and Retrofits Services Division and also the inclusion of the new wholly owned subsidiary company, namely Intra Oil Services into the Marine Services Division.

24. Prospects

The Group's expansion of the Marine Services Division 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, has enabled 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 and also enhanced 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 with an estimated work orders of RM600 million over 4 years has been successfully mobilized. To date, a total of 6 vessels, comprising 3 work barges and 3 work boats are utilized to meet Shell's project requirements and is on track to 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

There is no dividend proposed in respect of the current quarter ended 31 March 2005.

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(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2005

27. Earning per share

Weighted Average / Fully diluted	Quarter ended RM'000	Financial Period to date RM'000
Net profit attributable to ordinary shareholders	<u>7,634</u>	<u>7,634</u>
Number of ordinary shares in issue of RM0.50 each	<u>135,300</u>	<u>135,300</u>
Basic earning per ordinary share (sen)	5.64	5.64
Fully diluted per ordinary share (sen)	NA	NA