

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FINANCIAL PERIOD ENDED 30 JUNE 2005**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Current Quarter Ended 30-Jun-05 RM'000</b>	<b>Corresponding Quarter Ended 30-Jun-04 RM'000</b>	<b>Current Year-to-date Ended 30-Jun-05 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Jun-04 RM'000</b>
Revenue	146,196	38,916	215,956	78,728
Operating expenses	(124,859)	(35,024)	(181,246)	(73,359)
Other operating income	3,662	115	4,005	614
Profit from operation	24,999	4,007	38,715	5,983
Finance costs	(4,375)	(171)	(7,969)	(473)
Profit before taxation	20,624	3,836	30,746	5,510
Taxation	(5,705)	(1,355)	(8,193)	(1,919)
Profit after taxation	14,919	2,481	22,553	3,591
Pre-acquisition profit (net of taxation)	(760)	-	(760)	-
Minority interest	(505)	9	(505)	9
Profit attributable to shareholders	13,654	2,490	21,288	3,600
<b>Earning per share of RM0.50 each (sen)</b>				
a) Basic (based on weighted average)	10.09	*1.92	15.73	*2.85
b) Fully diluted	NA	*1.84	NA	*2.66

\* 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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**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>30-Jun-05</b>	<b>31-Dec-04</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>	350,041	143,390
<b>Intangible assets</b>	51,275	22,324
<b>Other investment</b>	-	4,459
<b>Deferred tax assets</b>	197	197
<b>Current assets</b>		
Inventories	38,164	34,057
Trade and other receivables	153,882	105,080
Amount due from customers	2,699	2,972
Fixed deposits with licensed bank	21,875	8,962
Tax recoverable	1,507	1,507
Cash and bank balances	17,509	13,104
	235,636	165,682
<b>Current liabilities</b>		
Trade and other payables	94,288	38,964
Amount due to customers	-	406
Borrowings	352,903	148,184
Proposed dividend	2,435	-
Provision for taxation	5,450	1,110
	455,076	188,664
Net current liabilities	(219,440)	(22,982)
	182,073	147,388
Financed by :-		
<b>Capital and reserves</b>		
Share capital	67,650	67,650
Reserves	90,893	72,461
	158,543	140,111
Minority interest	14,273	-
Long term borrowings	1,223	1,365
Deferred taxation	8,034	5,912
	182,073	147,388
Net tangible assets per share of RM0.50 each (RM)	0.79	0.87

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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>30-Jun-05</b>	<b>31-Dec-04</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	30,746	19,210
Less: Pre-acquisition profit (before taxation)	-	(1,299)
	<u>30,746</u>	<u>17,911</u>
<b>Adjustment for non-cash flow items:</b>		
Amortisation of expenditure carried forward	2,144	2,191
Depreciation of property, plant & equipment	11,807	7,543
Foreign currency translation difference	(63)	36
Gain on disposal of property, plant and equipment	(3,375)	(435)
Interest expense	7,938	2,966
Interest income	(247)	(276)
Gain/(Loss) on disposal of investment	(238)	672
Written off of property, plant & equipment	4	2
	<u>48,716</u>	<u>30,610</u>
Operating profit before working capital changes		
Increase in inventories	(4,107)	(11,902)
Increase in trade and other receivables	(35,763)	(53,258)
Decrease/(Increase) in amount due from customers	274	(1,678)
Increase in trade and other payables	30,798	12,768
Decrease in amount due to customers	(654)	(810)
	<u>39,264</u>	<u>(24,270)</u>
Net cash used in operation		
Taxation	(2,295)	(6,437)
Net cash used in operating activities	<u>36,969</u>	<u>(30,707)</u>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(45,880)	(47,674)
Purchase of property, plant & equipment	(174,741)	(109,124)
Purchase of investment	-	(10,459)
Proceeds from disposal of property, plant & equipment	14,822	3,561
Proceeds from disposal of investment	4,697	5,328
Payment for expenditure carried forward	(15,396)	(3,152)
Interest income received	247	276
Withdrawal/(Placement) of fixed deposits (with security)	129	(1,890)
	<u>(216,122)</u>	<u>(163,134)</u>
Net cash used in investing activities		
<b>Cash flow from financing activities</b>		
Proceeds from issuance of shares	-	30,012
Proceeds from issuance of shares to Minority Shareholders	-	9
Share issue expenses	-	(251)
Proceeds from bank borrowings	205,369	146,855
Repayment of bank borrowings	(496)	(1,002)
Interest paid	(7,938)	(2,966)
Dividend paid	-	(2,214)
Net cash generated from financing activities	<u>196,935</u>	<u>170,443</u>
Net change in cash & cash equivalents	17,782	(23,398)
Cash & cash equivalents at beginning of period	18,420	41,818
Cash & cash equivalents at end of period	<u>36,202</u>	<u>18,420</u>
<b>Cash and cash equivalent</b>		
Cash in hand and at bank	17,509	13,104
Overdraft	(92)	(427)
Fixed deposits with licensed bank	21,875	8,962
	<u>39,292</u>	<u>21,639</u>
Less: Fixed deposits pledged as security	(3,090)	(3,219)
	<u>36,202</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)**

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2005**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Capital Reserve RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>
<b>Financial year ended 31 December 2005</b>						
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	-	-	-	-	21,288	21,288
Private placement	-	-	-	-	-	-
Share issue cost	-	-	-	-	-	-
Currency translation difference	-	-	-	(421)	-	(421)
Dividend for the year ended 31 December 2004	-	-	-	-	(2,435)	(2,435)
	<u>67,650</u>	<u>27,254</u>	<u>4,018</u>	<u>(245)</u>	<u>59,866</u>	<u>158,543</u>
<b>Financial year ended 31 December 2004</b>						
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>

**(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)**

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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 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**

<b>Financial data by geographical area of the Group</b>	<b>Financial period to-date 30 June 2005</b>	
	<b>Turnover RM'000</b>	<b>Profit Before Taxation RM'000</b>
Malaysia	201,235	28,259
Singapore	1,397	(176)
British Virgin Islands	13,324	2,663
	<u>215,956</u>	<u>30,746</u>

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**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 which have not been reflected in the financial statements.

**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 except for the following acquisitions which were completed on 1 April 2005:

- 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.

**12. Changes in the contingent liabilities**

As at 30 June 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 RM3.7 million as at the said date.

**13. Significant related party transactions**

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

	<b>Quarter ended 30 June 05 RM'000</b>	<b>Quarter ended 30 June 04 RM'000</b>
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	188	273

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 period to date under review are as follows:

	<b>Quarter ended 30 June 05 RM'000</b>	<b>Financial period to date 30 June 05 RM'000</b>
Current Taxation	5,705	8,193

The effective tax rate for the current quarter and current period to-date is 27.7% and 26.6% respectively. The lower tax rate for the current quarter is mainly due to the profits contribution made from offshore subsidiaries, which is not taxable.

**15. Purchase or disposal 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.

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, resulting in a gain of RM3.4 million which has been included in other operating income.

**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.

**17. Corporate proposals**

The Group does not have any corporate proposals announced but not completed as of 24 August 2005.

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**18. Capital Commitment**

As at 30 June 2005, the Group has the following capital commitments:

	<b>RM'000</b>
Approved and not contracted for	-
Approved and contracted for	<u>1,620</u>

**19. Borrowings and debt securities**

Total Group's borrowings as at 30 June 2005 were as follows:

<b>Secured borrowings</b>	<b>RM'000</b>
Short term	352,903
Long term	<u>1,223</u>
Total	<u>354,126</u>

Included in the short-term borrowings is an amount of RM348 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 August 2005.

**21. Material litigation**

The Group is not engaged in any material litigation as at 24 August 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.

**22. Comparison with immediate preceding quarter**

For the current quarter, PPB registered a turnover of RM146.2 million, 109.5% or RM76.4 million higher as compared to previous quarter ended 31 March 2005 of RM69.8 million.

In tandem with the increased in turnover, profit before tax for the current quarter also doubled to RM20.6 million from RM10.1 million recorded in the preceding quarter.



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This is mainly attributed to the contribution from Maintenance and Retrofits Services Division, Marine Services Division and also consolidated revenue and profits from the acquisition of Ampangship Marine Sdn Bhd and Pelangi Mitra Offshore Pte Ltd.

**23. Review of performance**

The turnover for the current quarter was RM146.2 million, 275.7% increased as compared to RM38.9 million achieved in preceding quarter ended June 2004. Correspondingly, the profit before tax in the current quarter has also increased significantly from RM3.8 million to RM20.6 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 newly acquired companies into the Marine Services Division, namely Intra Oil Services Berhad, Ampangship Marine Sdn Bhd and Pelangi Mitra Offshore Pte Ltd.

**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 enhanced the Group's competitive position in its core integrated brownfield engineering and maintenance services by providing a comprehensive range of integrated services to the upstream activities of Malaysia as well as the regional oil and gas industry.

In addition, the execution of the RM600 million Shell contract for the provision of major maintenance and retrofits services are well on schedule with successfully mobilized a total of 15 vessels, comprising work barges, work boats, crew boats, AHTs and supply boats 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 30 June 2005.

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**27. Earning per share**

<b>Weighted Average / Fully diluted</b>	<b>Quarter ended RM'000</b>	<b>Financial Period to date RM'000</b>
Net profit attributable to ordinary shareholders	13,654	21,288
Number of ordinary shares in issue of RM0.50 each	135,300	135,300
Basic earning per ordinary share (sen)	10.09	15.73
Fully diluted per ordinary share (sen)	NA	NA