

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

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

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30-Sep-05 RM'000	Corresponding Quarter Ended 30-Sep-04 RM'000	Current Year-to-date Ended 30-Sep-05 RM'000	Corresponding Year-to-date Ended 30-Sep-04 RM'000
Revenue	141,065	71,823	357,021	150,551
Operating expenses	(120,080)	(64,936)	(301,326)	(138,295)
Other operating income	(177)	600	3,828	1,214
Profit from operation	20,808	7,487	59,523	13,470
Finance costs	(4,940)	(1,161)	(12,909)	(1,634)
Profit before taxation	15,868	6,326	46,614	11,836
Taxation	(4,823)	(2,073)	(13,016)	(3,992)
Profit after taxation	11,045	4,253	33,598	7,844
Pre-acquisition profit (net of taxation)	-	(99)	(760)	(99)
Minority interest	(335)	-	(840)	9
Profit attributable to shareholders	10,710	4,154	31,998	7,754
Earning per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	7.92	3.07	23.65	5.99
b) Fully diluted	NA	NA	NA	5.73

**(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

	30-Sep-05	31-Dec-04
	RM'000	RM'000
Property, plant and equipment	354,652	143,390
Intangible assets	53,875	22,324
Other investment	-	4,459
Deferred tax assets	197	197
Current assets		
Inventories	37,858	34,057
Trade and other receivables	158,899	105,080
Amount due from customers	5,965	2,972
Fixed deposits with licensed bank	34,618	8,962
Tax recoverable	1,507	1,507
Cash and bank balances	14,785	13,104
	253,632	165,682
Current liabilities		
Trade and other payables	101,455	38,964
Amount due to customers	-	406
Borrowings	359,445	148,184
Proposed dividend	-	-
Provision for taxation	7,513	1,110
	468,413	188,664
Net current liabilities	(214,781)	(22,982)
	193,943	147,388
Financed by :-		
Capital and reserves		
Share capital	67,650	67,650
Reserves	101,125	72,461
	168,775	140,111
Minority interest	14,607	-
Long term borrowings	1,036	1,365
Deferred taxation	9,525	5,912
	193,943	147,388
Net tangible assets per share of RM0.50 each (RM)	0.85	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

	30-Sep-05	31-Dec-04
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	46,614	19,210
Less: Pre-acquisition profit & Minority interest	<u>(1,387)</u>	<u>(1,299)</u>
	45,227	17,911
Adjustment for non-cash flow items:		
Amortisation of expenditure carried forward	3,467	2,191
Depreciation of property, plant & equipment	20,251	7,543
Foreign currency translation difference	(604)	36
Gain on disposal of property, plant and equipment	(2,934)	(435)
Interest expense	12,909	2,966
Interest income	(369)	(276)
(Gain)/Loss on disposal of investment	(238)	672
Written off of property, plant & equipment	4	2
Operating profit before working capital changes	<u>77,713</u>	<u>30,610</u>
Increase in inventories	(3,801)	(11,902)
Increase in trade and other receivables	(40,702)	(53,258)
Increase in amount due from customers	(2,993)	(1,678)
Increase in trade and other payables	38,306	12,768
Decrease in amount due to customers	(654)	(810)
Net cash used in operation	<u>67,869</u>	<u>(24,270)</u>
Taxation	<u>(3,547)</u>	<u>(6,437)</u>
Net cash used in operating activities	<u>64,322</u>	<u>(30,707)</u>
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	(45,880)	(47,674)
Purchase of property, plant & equipment	(187,172)	(109,124)
Purchase of investment	-	(10,459)
Proceeds from disposal of property, plant & equipment	14,838	3,561
Proceeds from disposal of investment	4,697	5,328
Payment for expenditure carried forward	(19,387)	(3,152)
Interest income received	369	276
Withdrawal/(Placement) of fixed deposits (with security)	115	(1,890)
Net cash used in investing activities	<u>(232,420)</u>	<u>(163,134)</u>
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	211,855	146,855
Repayment of bank borrowings	(534)	(1,002)
Interest paid	(12,909)	(2,966)
Dividend paid	<u>(2,435)</u>	<u>(2,214)</u>
Net cash generated from financing activities	<u>195,977</u>	<u>170,443</u>
Net change in cash & cash equivalents	27,879	(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>46,299</u>	<u>18,420</u>
Cash and cash equivalent		
Cash in hand and at bank	14,785	13,104
Overdraft	-	(427)
Fixed deposits with licensed bank	<u>34,618</u>	<u>8,962</u>
	49,403	21,639
Less: Fixed deposits pledged as security	<u>(3,104)</u>	<u>(3,219)</u>
	<u>46,299</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 SEPTEMBER 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 ending 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	-	-	-	-	31,998	31,998
Private placement	-	-	-	-	-	-
Share issue cost	-	-	-	-	-	-
Currency translation difference	-	-	-	(899)	-	(899)
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>(723)</u>	<u>70,576</u>	<u>168,775</u>
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>

(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 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the year ended 31 December 2004.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the preparation of 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. Unusual and extraordinary items

There are no unusual and extraordinary items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

5. Material changes in the estimates

There are no material changes in the estimates of amounts reported in the current quarter.

6. Issuance and repayment of debts and equity securities

There have been no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter.

7. Dividend paid

A first and final dividend of 5.0% per ordinary share of RM0.50 each less 28% of tax amounting to RM2,435,000 in respect of the financial year ended 31 December 2004 was paid on 28 July 2005.

8. Segmental information

Financial period to-date
30 September 2005

Financial data by geographical area of the Group	Turnover	Profit Before
	RM'000	Taxation
		RM'000
Malaysia	326,672	43,415
Singapore	8,653	1,505
British Virgin Islands	21,696	1,694
	357,021	46,614

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9. Valuation of property, plant and equipment

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

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 except as follows:

- a. On 17 November 2005, Petra Perdana Berhad has entered into a Memorandum of Agreement to acquire an accommodation/work barge from Java Marine Lines Pte Ltd by the name of Jaya Installer 1 for a total cash consideration of USD 13.5 million.
- b. As disclosed in note 17.

11. Changes in Composition of Group

There were no changes in the composition of the Group in the current quarter.

12. Changes in the contingent liabilities

As at 30 September 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 RM3.4 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 05 RM'000	Quarter ended 30 September 04 RM'000
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	242	179

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:

	Quarter ended 30 September 05 RM'000	Financial period to date 30 September 05 RM'000
Current Taxation	4,823	13,016

The effective tax rate for the current quarter and current period to-date is 30.4% and 27.9% respectively. The higher effective tax rate was mainly due to certain expenses which are not deductible for tax purposes and the non-availability of group relief for losses incurred by certain subsidiary companies.

15. Purchase or disposal of unquoted investment and properties

There were no purchase or disposal of unquoted investment and properties for the financial period to date except for the following:

- a. 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 RM3.0 million which has been included in other operating income.
- b. 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.

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 financial period to date.

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17. Corporate proposals

On 29 August 2005, the Company has announced to the Bursa Malaysia to implement the following corporate exercise:

- (i) bonus issue of 67,650,000 new issue ordinary shares of RM0.50 each in PPB (PPB Shares or Shares) on the basis of one (1) new PPB Share (Bonus Share) for every two (2) existing PPB Shares;
- (ii) amendments to the Memorandum of Association; and
- (iii) increase in the authorised share capital of the Company from RM100,000,000 comprising 200,000,000 PPB Shares to RM500,000,000 comprising 1,000,000,000 PPB Shares.

The Proposed bonus issue of 67,650,000 new ordinary shares of RM0.50 each was allotted on 27 October 2005 and granted for listing on 15 November 2005.

Other than the above, the Group does not have any corporate proposals announced but not completed as of 21 November 2005.

18. Capital Commitment

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

	RM'000
Approved and not contracted for	-
Approved and contracted for	<u>42,590</u>

19. Borrowings and debt securities

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

Secured borrowings	RM'000
Short term	359,445
Long term	<u>1,036</u>
Total	<u>360,481</u>

Included in the short-term borrowings is an amount of RM357 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 21 November 2005.

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21. Material litigation

The Group is not engaged in any material litigation as at 21 November 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 ended 30 September 2005, the Group registered a slightly lower turnover of RM141.1 million, which represent a marginal decrease of 3.5% as compared to RM146.2 million recorded in previous quarter ended 30 June 2005.

The profit before taxation for the current quarter has reduced to RM15.9 million from RM20.6 million accounted in the preceding quarter. The lower profit in the current quarter is mainly due to RM3.0 million gain on disposal of vessel recognized in the previous quarter.

23. Review of performance

The turnover for the current quarter was RM141.1 million, double of RM71.8 million achieved in preceding quarter ended September 2004. Correspondingly, the profit before tax in the current quarter has also increased significantly from RM6.3 million to RM15.9 million.

The higher turnover and profit before taxation in the current year were achieved from the contracts awarded under the Maintenance and Retrofits Services Division and coupled with the consolidation of the newly acquired companies and additional vessels into the Marine Services Division.

24. Prospects

The Group’s recent expansion of the Marine Services Division 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 major contract from Shell for the provision of major maintenance and retrofits services are well on schedule with a total of 15 vessels, comprising work barges, work boats, crew boats, AHTs and supply boats to meet Shell’s project requirements. This contract which is for a duration of four years 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.

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25. Profit forecast or guarantee

Not applicable

26. Dividends

There is no dividend proposed in respect of the current quarter ended 30 September 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	10,710	31,998
Number of ordinary shares in issue of RM0.50 each	135,300,000	135,300,000
Basic earning per ordinary share (sen)	7.92	23.65
Fully diluted per ordinary share (sen)	NA	NA