

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2005**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Current Quarter Ended 31-Dec-05 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-04 RM'000</b>	<b>Current Year-to-date Ended 31-Dec-05 RM'000</b>	<b>Corresponding Year-to-date Ended 31-Dec-04 RM'000</b>
Revenue	137,359	59,432	494,380	209,983
Operating expenses	(119,137)	(50,823)	(420,463)	(189,118)
Other operating income	430	161	4,258	1,375
Profit from operation	18,652	8,770	78,175	22,240
Finance costs	(5,997)	(1,506)	(18,906)	(3,140)
Profit before taxation	12,655	7,264	59,269	19,100
Taxation	(3,153)	(1,549)	(16,169)	(5,541)
Profit after taxation	9,502	5,715	43,100	13,559
Pre-acquisition profit (net of taxation)	-	-	(760)	(99)
Minority interest	(177)	-	(1,017)	9
Profit attributable to shareholders	9,325	5,715	41,323	13,469
<b>Earning per share of RM0.50 each (sen)</b>				
a) Basic (based on weighted average)	4.59	2.81*	20.36	6.86*
b) Fully diluted	N/A	N/A	N/A	6.63*

\* Comparatives figures are restated based on 202,950,000 units of ordinary shares.

**(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>31-Dec-05</b>	<b>31-Dec-04</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>	393,706	143,390
<b>Intangible assets</b>	55,315	22,324
<b>Other investment</b>	98	4,459
<b>Deferred tax assets</b>	426	197
<b>Current assets</b>		
Inventories	30,149	34,057
Trade and other receivables	178,307	105,080
Amount due from customers	-	2,972
Fixed deposits with licensed bank	26,548	8,962
Tax recoverable	1,507	1,507
Cash and bank balances	24,547	13,104
	261,058	165,682
<b>Current liabilities</b>		
Trade and other payables	94,877	38,964
Amount due to customers	451	406
Borrowings	400,978	148,184
Proposed dividend	-	-
Provision for taxation	8,180	1,110
	504,486	188,664
Net current liabilities	(243,428)	(22,982)
	206,117	147,388
Financed by :-		
<b>Capital and reserves</b>		
Share capital	101,475	67,650
Reserves	76,865	72,461
	178,340	140,111
Minority interest	14,785	-
Long term borrowings	870	1,365
Deferred taxation	12,122	5,912
	206,117	147,388
Net assets per share of RM0.50 each (RM)	0.88	1.04

(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>31-Dec-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	59,269	19,210
Less: Pre-acquisition profit & Minority interest	<u>(1,387)</u>	<u>(1,299)</u>
	57,882	17,911
<b>Adjustment for:</b>		
Amortisation of expenditure carried forward	5,158	2,191
Depreciation of property, plant & equipment	27,574	7,543
Foreign currency translation difference	(563)	36
Gain on disposal of property, plant and equipment	(2,911)	(435)
Interest expense	18,893	2,966
Interest income	(579)	(276)
(Gain)/Loss on disposal of investment	(238)	672
Written off of property, plant & equipment	6	2
Written off of bad debt	7,478	-
Operating profit before working capital changes	<u>112,700</u>	<u>30,610</u>
Decrease/(Increase) in inventories	3,908	(11,902)
Increase in trade and other receivables	(67,665)	(53,258)
Decrease/(Increase) in amount due from customers	2,972	(1,678)
Increase in trade and other payables	31,709	12,768
Decrease in amount due to customers	(203)	(810)
Net cash generated from/(used in) operation	<u>83,421</u>	<u>(24,270)</u>
Tax paid	<u>(3,674)</u>	<u>(6,437)</u>
Net cash generated from/(used in) operating activities	<u>79,747</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	(234,261)	(109,124)
Purchase of investment	(98)	(10,459)
Proceeds from disposal of property, plant & equipment	15,936	3,561
Proceeds from disposal of investment	4,697	5,328
Payment for expenditure carried forward	(22,518)	(3,152)
Interest income received	579	276
Withdrawal/(Placement) of fixed deposits (with security)	107	(1,890)
Net cash used in investing activities	<u>(281,438)</u>	<u>(163,134)</u>
<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	(105)	(251)
Proceeds from bank borrowings	253,437	146,855
Repayment of bank borrowings	(750)	(1,002)
Interest paid	(18,893)	(2,966)
Dividend paid	(2,435)	(2,214)
Net cash generated from financing activities	<u>231,254</u>	<u>170,443</u>
Net change in cash & cash equivalents	29,563	(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>47,983</u>	<u>18,420</u>
<b>Cash and cash equivalent</b>		
Cash in hand and at bank	24,547	13,104
Overdraft	-	(427)
Fixed deposits with licensed bank	<u>26,548</u>	<u>8,962</u>
	51,095	21,639
Less: Fixed deposits pledged as security	<u>(3,112)</u>	<u>(3,219)</u>
	<u>47,983</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 YEAR ENDED 31 DECEMBER 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 ending 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	-	-	-	-	41,323	41,323
Private placement/Bonus issue	33,825	(27,258)	-	-	(6,567)	-
Share issue cost	-	-	-	-	-	-
Currency translation difference	-	-	-	(659)	-	(659)
Dividend for the year ended 31 December 2004	-	-	-	-	(2,435)	(2,435)
	<u>101,475</u>	<u>(4)</u>	<u>4,018</u>	<u>(483)</u>	<u>73,334</u>	<u>178,340</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 FRS134 (Interim Financial Reporting) (formerly known as MASB 26) issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statement 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 except that the wholly owned subsidiary company, namely Petra Resources Sdn Bhd has made a specific provision for the full amount of RM7,363,336 on the unit of measurement of work done on an item of a major contract completed in previous financial years. This provision is made in anticipation of an arbitration proceeding of the parties concerned.

**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 and financial year to date except for the following:

<b>Issued and paid-up ordinary shares of RM0.50 each</b>	<b>No. of Shares</b>	<b>RM</b>
As at 1 January 2005	135,300,000	67,650,000
Bonus issue	67,650,000	33,825,000
	<u>202,950,000</u>	<u>101,475,000</u>

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**7. Dividend paid**

A first and final dividend of 5.0% per ordinary share of RM0.50 each less 28% of tax amounting to RM2,435,400 in respect of the financial year ended 31 December 2004 was paid on 28 July 2005.

**8. Segmental information**

**Financial year to-date**  
**31 December 2005**

<b>Financial data by geographical area of the Group</b>	<b>Turnover</b>	<b>Profit/(Loss) Before Taxation</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	449,728	56,318
Singapore	10,243	(436)
British Virgin Islands	34,409	3,387
	494,380	59,269

**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**

On 23 December 2005, PPB has acquired two (2) ordinary shares of RM1.00 each in Portfolio Hitech Sdn Bhd ("Portfolio Hitech"), which was incorporated in Malaysia for a cash consideration of RM2.00. The acquisition of Portfolio Hitech is mainly to facilitate the internal re-organisation exercise as disclosed in the Note 17(a).

**12. Changes in the contingent liabilities**

As at 31 December 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 RM2.8 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:

	<b>Quarter ended 31 December 05 RM'000</b>	<b>Quarter ended 31 December 04 RM'000</b>
Rental paid to KNS Property Sdn Bhd	92	92
Sub-contract fee to Damai Teknik Sdn Bhd	210	190

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:

	<b>Quarter ended 31 December 05 RM'000</b>	<b>Financial year to date 31 December 05 RM'000</b>
Current Taxation	3,153	16,169

The effective tax rate for the current quarter and current year to-date is 24.9% and 27.28% respectively. The lower effective tax rate was mainly due to the profits contribution 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 financial year 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.

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**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 year to date and the Group did not hold any quoted securities as at the end of financial year to date.

**17. Corporate proposals**

- (a) On 28 December 2005, the Company has announced to the Bursa Malaysia its proposal to undertake an internal re-organisation exercise for the purpose of consolidating and streamlining all the Group's Integrated Brown Field services under one single wholly-owned subsidiary company, namely Portfolio Hitech which involves the followings:
- (i) Petra Perdana transferring its entire 100% equity interest in Petra Resources Sdn Bhd (comprising 8,000,000 ordinary shares of RM1.00 each) to Portfolio Hitech for consideration to be satisfied by the issuance of 39,852,922 new Portfolio Hitech shares at the par value of RM1.00 each to Petra Perdana;
  - (ii) Petra Perdana transferring its entire 100% equity interest in Petra Fabricators Sdn Bhd (comprising 3,000,000 ordinary shares of RM1.00 each) to Portfolio Hitech for consideration to be satisfied by the issuance of 2,147,076 new Portfolio Hitech shares at the par value of RM1.00 each to Petra Perdana; and
  - (iii) Petra Resources Sdn Bhd transferring its entire 100% equity interest in Petra Resources (S) Pte Ltd (comprising 200,000 ordinary shares of SGD1.00 each) to Petra Perdana for a cash consideration of RM1.00.

However, the proposed re-organisation exercise is subject to Foreign Investment Committee approval.

- (b) On 27 January 2006, the Securities Commission has approved the Company's application for the proposed issuance of the RM400.0 million nominal value Secured Serial Bonds ("Bonds") and the establishment of up to RM400.0 million nominal value Medium Term Notes Programme ("MTN"), which the issuance of RM400.0 million Bonds is expected to be completed by end of 1<sup>st</sup> quarter 2006.

Other than the above, the Group does not have any corporate proposals announced but not completed as of 21 February 2006.



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**18. Capital Commitment**

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

	<b>RM'000</b>
Approved and not contracted for	-
Approved and contracted for	<u>56,700</u>

**19. Borrowings and debt securities**

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

<b>Secured borrowings</b>	<b>RM'000</b>
Short term	400,978
Long term	870
Total	<u>401,848</u>

Included in the short-term borrowings is an amount of RM399 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 at 21 February 2006.

**21. Material litigation**

The Group is not engaged in any material litigation as at 21 February 2006 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 is high.

**22. Comparison with immediate preceding quarter**

For the current quarter ended 31 December 2005, the Group registered a slightly lower turnover of RM137.4 million, which represent a marginal decrease of 2.6% as compared to RM141.1 million recorded in previous quarter ended 30 September 2005.

The profit before taxation for the current quarter has reduced by RM3.7 million to RM12.7 million from RM15.9 million accounted in the preceding quarter. The lower profit in the current quarter is mainly caused by the specific provision of RM7.48 million as mentioned in Note 4 and the higher financing cost by RM1.06 million as compared with immediate preceding quarter.

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**23. Review of performance**

The turnover for the current quarter was RM137.4 million as compared to RM59.4 million achieved in preceding quarter ended December 2004. Correspondingly, the profit before taxation in the current quarter has also increased significantly from RM7.3 million to RM12.7 million in line with the increased in turnover.

The higher turnover and profit before taxation in the current year were mainly contributed by the full commencement of the long term major contract secured in November 2004 under the Maintenance and Retrofits Services Division and coupled with the consolidation of the newly acquired vessels and the provision of related services of the Marine Services Division.

**24. Prospects**

Prospect for the oil and gas industry remains very promising on the back of high oil prices and the many new oil discoveries made recently. The oil prices are expected to remain relatively high in the short term and therefore will continue to encourage more exploration and production activities.

To further support Petra's growth strategies, the Company is in the midst of embarking on the internal re-organisation of the Group's business operations, which will enable the Group to consolidate and streamline all its activities under the brown field services under one umbrella and ultimately enhance the service efficiency levels, thus improving the Group's bottom-line and shareholder value. 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 1.8 sen per ordinary share of RM0.50 each less 28% of tax amounting to RM2,630,232 in respect of the financial year ended 31 December 2005. 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

**27. Earning per share**

<b>Weighted Average / Fully diluted</b>	<b>Quarter ended RM'000</b>	<b>Financial year to date RM'000</b>
Net profit attributable to ordinary shareholders	9,325	41,323
Fully diluted number of ordinary shares of RM0.50 each	202,950,000	202,950,000
Fully diluted earning per ordinary share (sen)	4.59	20.36