



Synergising Partnerships

PETRA ENERGY BERHAD • Annual Report 2023

SYNERGISING PARTNERSHIPS



At **PETRA**, we believe our competitive edge lies in the synergies formed with all our stakeholders; clients, business partners and vendors, shareholders, employees and the investment community — partnerships that have helped us grow over the years. The cover design represents our commitment to our ESG blueprint which aims to preserve the environment, nurture and cultivate the growth of people and embrace strong corporate governance, reinforcing the key themes of diversity, transformation and resilience, all of which are an inherent part of PETRA's ongoing journey towards realising its vision of being a Sustainable Energy Company.

Welcome to **Petra Energy Berhad's**
Annual Report for the Financial Year 2023.
For more information, visit www.petraenergy.com.my



Our vision is to be a Sustainable Energy Company

CORE VALUES

INTEGRITY

We promise integrity in all that we do

COMMITMENT

We always deliver on our commitment

PROFESSIONALISM

We promise to display professionalism in everything that we do

TEAMWORK

We promote teamwork

#PETRACares

We care for the health, safety and well being of everyone and the planet

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BUSINESS OVERVIEW

PETRA began 36 years ago as a VDP Vendor to PETRONAS starting our journey from an onshore workshop in Miri, Sarawak.

Over the years we have developed our capabilities to become an established Hook Up & Commissioning and Maintenance, Construction and Modification services provider supported by our project management teams, offshore marine assets and fabrication yards.

Today, we are an oilfield operator, an achievement that began with the award of the RSC by PETRONAS in 2012. We now solely operate and maintain the Banang oilfield, offshore Terengganu Malaysia under a Technical Services Agreement with PETRONAS.

In 2021, we became a full fledged PSC Operator with the award of the Inaugural SK433 Onshore Petroleum Contract by Petroleum Sarawak (PETROS) for Block SK433, onshore Miri. An extremely meaningful and profoundly symbolic achievement for PETRA Energy, having begun in Miri, Sarawak.

Our Vision is to be a **SUSTAINABLE ENERGY COMPANY**

OUR COMMITMENTS



ESG PRINCIPLES



INTEGRITY



HEALTH, SAFETY &
ENVIRONMENT-
#PETRACARES



FINANCIAL DISCIPLINE



DEVELOPING COMPETENCY
AND CAPACITY



DEVELOPING PEOPLE &
COMMUNITIES



EXPLORATION, DEVELOPMENT AND PRODUCTION

- Petroleum Contract relating to Exploration, Development and Production of Petroleum in Block SK433, Onshore Sarawak
- Development and Production of petroleum from Banang small field offshore Terengganu, Malaysia



INTEGRATED BROWNFIELD AND OFFSHORE MARINE SERVICES

- Hook-up and Commissioning
- Maintenance Construction and Modification
- Project Management, Procurement and Logistics
- Engineering, Operations and Maintenance
- Oil Field Optimisation
- Equipment, Packaging and Manufacturing



MARINE ASSETS

The Group owns and operates 2 Accommodation and work barges, 4 workboats, 1 AHTS vessel and 1 Mobile Offshore Production Unit (MOPU) to support its operations

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting (“AGM”) of Petra Energy Bhd. will be held on a **virtual basis** at the Broadcast Venue at Lavender Room, Level C, One World Hotel, First Avenue, Lebuhraya Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 May 2024 at 11:00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Notes No. 1)**
2. To approve the payment of Directors’ fees payable to the Non-Executive Directors amounting to RM498,000.00 from 24 May 2024 until the next AGM of the Company. **(Resolution 1)**
3. To approve the payment of Directors’ benefits up to an amount of RM66,200.00 from 24 May 2024 until the next AGM of the Company. **(Resolution 2)**
4. To re-elect Puan Zuhaida binti Zulkifli, who is due to retire in accordance with Clause 116 of the Company’s Constitution and being eligible, has offered herself for re-election. **(Resolution 3)**
5. To re-elect the following Directors, who are due to retire in accordance with Clause 117 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Madam Ng Ing Peng; and **(Resolution 4)**
 - (b) Mr. Gian Carlo Maccagno. **(Resolution 5)**
6. To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modification, to pass the following Ordinary Resolutions:-

7. **ORDINARY RESOLUTION NO. 1** **(Resolution 7)**
 - **RETENTION OF TAN SRI DATUK SERI PANGLIMA SULONG BIN MATJERAIE AS AN INDEPENDENT DIRECTOR**

“**THAT** Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years since 29 August 2023, be and is hereby retained as an Independent Director of the Company.”
8. **ORDINARY RESOLUTION NO. 2** **(Resolution 8)**
 - **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

9. ORDINARY RESOLUTION NO. 3

(Resolution 9)

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholders Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and its subsidiaries (“**the Group**”) to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Parties as specified in Section 2.5 of the Circular/Statement to Shareholders dated 24 April 2024, provided that such transactions are:-

- a) recurrent transactions of a revenue or trading nature;
- b) necessary for the Group’s day-to-day operations;
- c) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- d) not to the detriment of minority shareholders,

(the “**Mandate**”);

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following this AGM at which the Mandate was passed, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- ii) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

whichever is the earlier;

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate.”

10. ORDINARY RESOLUTION NO. 4

(Resolution 10)

- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“Proposed Renewal of Share Buy-Back Authority”)

“**THAT** subject to the Companies Act 2016 (“**the Act**”), Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements, the Constitution of the Company, and all other applicable laws, rules and regulations, approval be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:-

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

- a) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as Treasury Shares (if any); and
- b) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion to cancel all the shares so purchased; and/or retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or retain part thereof as treasury shares and cancel the remainder; or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company.”

11. To consider any other business for which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
LIM LIH CHAU (SSM PC NO. 201908001454) (LS0010105)
Company Secretaries

Kuala Lumpur
24 April 2024

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

IMPORTANT NOTICE:

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (CA 2016) which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to attend this AGM in person at the Broadcast Venue on the day of the meeting. Shareholders are to attend, participate, speak, (including posing questions to the Board via real time submission of typed texts) and vote (collectively referred as 'participate') remotely at this AGM via the Remote Participation and Voting facilities (RPV) provided by SS E Solutions Sdn. Bhd. via its Securities Services e-Portal at <https://sshsb.net.my/>.

Explanatory Notes to Special Business:

1. Retention of Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie ("Tan Sri Sulong") as an Independent Director

Tan Sri Sulong was appointed as an Independent Director of the Company on 28 August 2014 and has served the Board for a cumulative term of more than nine (9) years since 29 August 2023. The Board of Directors of the Company through its Nomination and Remuneration Committee, after having assessed the independence of Tan Sri Sulong, regards him to be independent based amongst others, the following justifications, and recommends that Tan Sri Sulong be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance:-

- (a) Tan Sri Sulong has fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:-
- is not, and has not been within the last three (3) years, an officer of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as "**said Corporation**"). [**"officer"** has the meaning given in Section 2 of the Companies Act 2016 but excludes a director who has served as an independent director in any one or more of the said Corporations for a cumulative period of less than 12 years];
 - is not a major shareholder of the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad ("**the Exchange**") or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange;
 - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange; or
 - has not served as an independent director in any one or more of the said Corporations for a cumulative period of more than 12 years from the date of his first appointment as an independent director.
- (b) Tan Sri Sulong has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Tan Sri Sulong has no potential conflict of interest, whether business or non-business related with the Company;

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

- (d) Tan Sri Sulong has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Group Chief Executive Officer and major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Tan Sri Sulong does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

2. **Authority to Issue Shares pursuant to the Companies Act 2016**

The Company wishes to renew the mandate on the authority to issue shares of not more than 10% of the total issued shares capital for the time being pursuant to the Companies Act 2016 at the Eighteenth AGM of the Company (hereinafter referred to as the **"General Mandate"**).

The Company had been granted a general mandate by its shareholders at the last AGM of the Company held on 25 May 2023 (hereinafter referred to as the **"Previous Mandate"**). As at the date of this notice of Eighteenth AGM, the Company did not implement any proposal for new allotment of shares under the Previous Mandate. Therefore, no proceeds have been raised under the Previous Mandate.

The purpose for the Company to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

3. **Proposed Renewal of Existing Shareholders Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Proposed Resolution 9 is intended to enable the Company and its subsidiaries (**"the Group"**) to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 24 April 2024, for more information.

4. **Proposed Renewal of Authority for the Company to Purchase its Own Shares**

The Proposed Resolution 10 is intended to allow the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular/Statement to Shareholders dated 24 April 2024, for more information.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

Notes:-

1. This Agenda item is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements and only requires the Audited Financial Statements to be laid at the Meeting. Therefore, this Agenda item is not put forward for voting.
2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 May 2024 shall be eligible to attend and vote at the Meeting.
3. A member entitled to attend and vote at the Meeting of the Company, shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. There shall be no restriction as to the qualification of the proxy. The proxy(ies) appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an Exempt Authorised Nominee which hold ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (“**Omnibus Account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. The completed instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/ or 03-2095 0292 or emailed to info@sshbsb.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshbsb.net.my/> before the submission cut-off time as mentioned above. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting for further details.

ADMINISTRATIVE GUIDE

WHAT IS Securities Services e-Portal?

Securities Services e-Portal is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

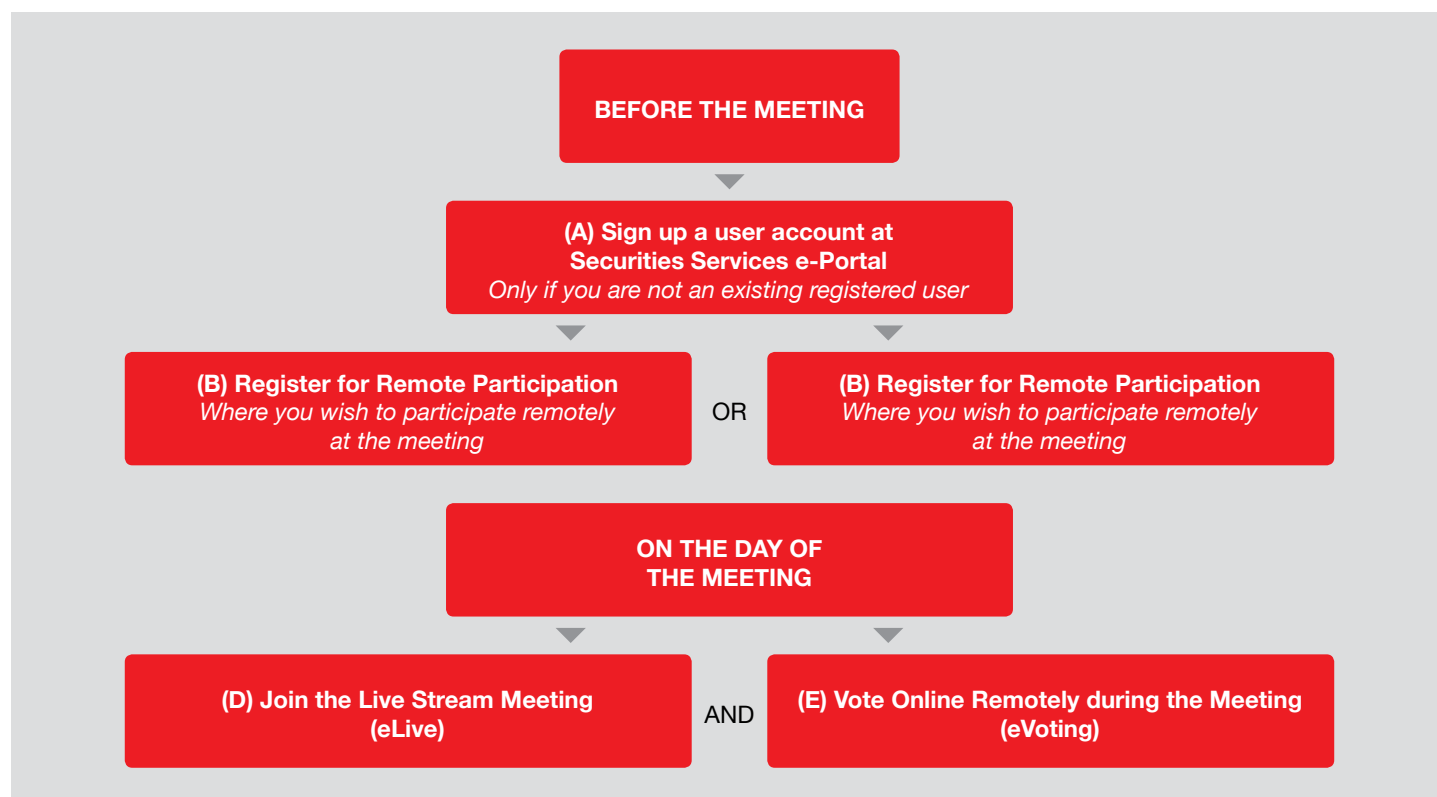
- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings (referred to as “e-Services”)

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Petra Energy Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Edge and Safari.

REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Ms. Rachel Ou (DID: +603 2084 9161) or Cik. Nur Syazana (DID: +603 2084 9169) or En. Afiq Aiman (DID: +603 2084 9007) or our general line (DID: +603 2084 9000) to request for e-Services Assistance during our office hours on Monday to Friday from 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. Alternatively, you may email us at eservices@sshsb.com.my.



BEFORE THE MEETING

(A) Sign up for a user account at Securities Services e-Portal	
<p>Step 1 Visit https://sshsb.net.my/</p> <p>Step 2 Sign up for a user account</p> <p>Step 3 Wait for our notification email that will be sent within one (1) working day</p> <p>Step 4 Verify your user account within seven (7) days of the notification email and log in</p>	<ul style="list-style-type: none"> • This is a ONE-TIME registration. If you already have a user account, you need not register again. • Your email address is your User ID. • Please proceed to either (B) or (C) below once you are a registered user
<p>To register for the meeting under (B) below, please sign up for a user account by <u>21 MAY 2024</u>.</p> <p>To submit e-Proxy Form under (C) below, please sign up for a user account by <u>19 MAY 2024</u>, failing which you may only be able to submit the hard copy proxy form.</p> <p>This is a ONE-TIME sign up only. If you already have a user account, please proceed to either (B) or (C) below.</p>	
(B) Register for Remote Participation at the Meeting	
<ul style="list-style-type: none"> • Log in to https://sshsb.net.my/ with your registered email and password. • Look for Petra Energy Berhad under Company Name and 18th AGM on 23 May 2024 at 11:00 a.m. – Registration for Remote Participation under Event and click ">" to register for remote participation at the meeting. 	
<p>Step 1 Check if you are attending as –</p> <ul style="list-style-type: none"> • Individual shareholder • Corporate or authorised representative of a body corporate <p><i>For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the registration closing date and time above.</i></p> <p>Step 2 Submit your registration.</p>	
<ul style="list-style-type: none"> • All shareholders must register for remote participation at the meeting and are highly encouraged to register as early as possible and before the eLive access date and time [see (D) below] in order to ensure timely access to the meeting. Access shall be granted only to eligible shareholders in accordance with the General Meeting Record of Depositors as at 16 May 2024. • A copy of your e-Registration for remote participation can be accessed via My Records (refer to the left navigation panel). • Your registration will apply to all the CDS account(s) of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate. • As the meeting will be conducted on a virtual basis, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you. 	

ADMINISTRATIVE GUIDE

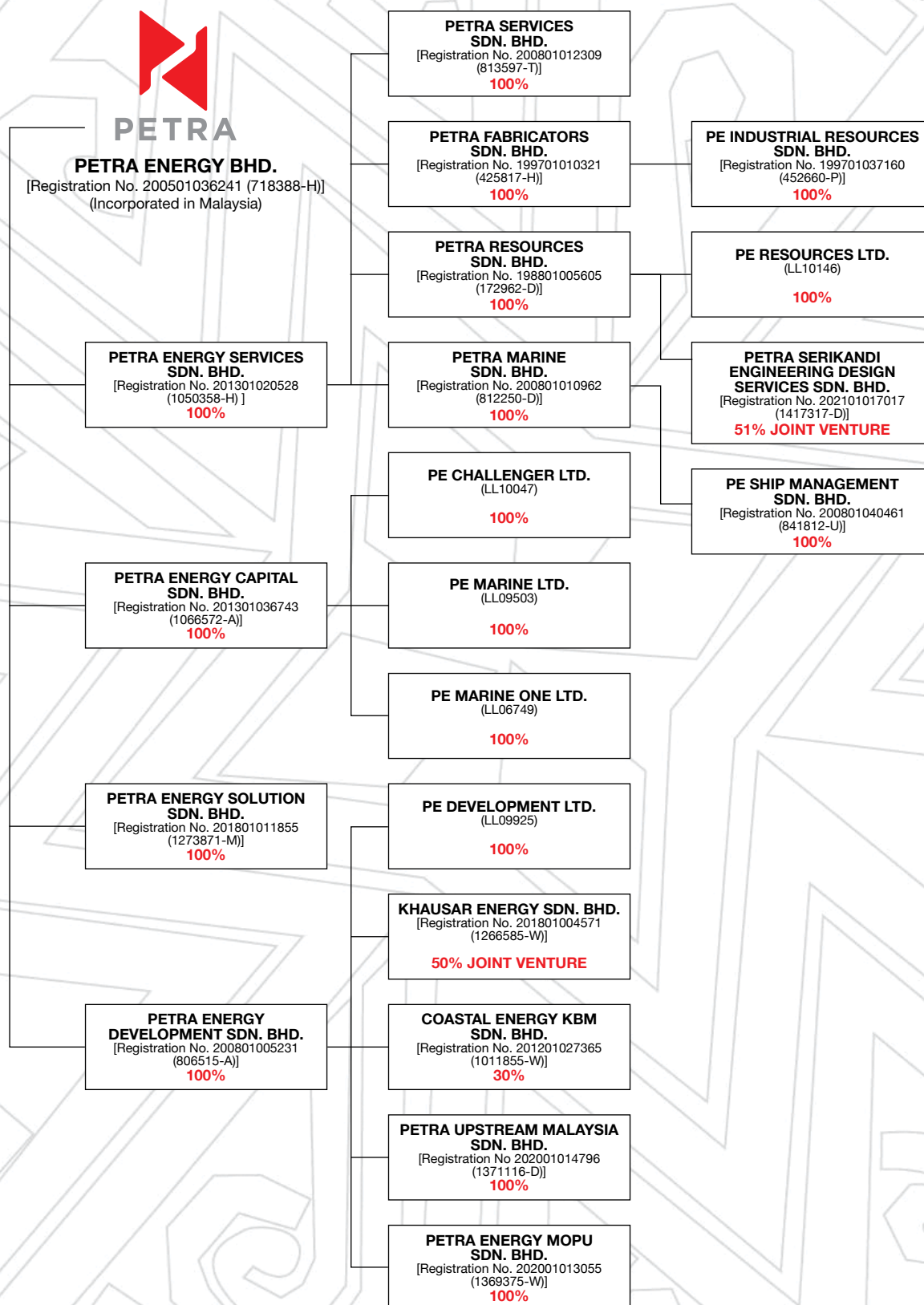
(C) Submit e-Proxy Form	
Meeting Date and Time Thursday, 23 May 2024 at 11:00 a.m.	Proxy Form Submission Closing Date and Time Tuesday, 21 May 2024 at 11:00 a.m.
<ul style="list-style-type: none"> Log in to https://sshsb.net.my/ with your registered email and password Look for Petra Energy Berhad under Company Name and 18th AGM on 23 May 2024 at 11:00 a.m.– Submission of Proxy Form under Event and click ">" to submit your proxy forms online for the meeting by the submission closing date and time above. 	
<p>Step 1 Check if you are submitting the proxy form as –</p> <ul style="list-style-type: none"> Individual shareholder Corporate or authorised representative of a body corporate <p><i>For body corporates, the appointed corporate / authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The <u>original</u> evidence of authority and translation thereof, if required, have to be submitted the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above.</i></p> <p>Step 2 Enter your CDS account number or the body corporate's CDS account number. Then enter the information of your proxy(ies) and the proportion of your securities to be represented by your proxy(ies).</p> <p>You may appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.</p> <p>Step 3 Proceed to indicate how your votes are to be casted against each resolution.</p> <p>Step 4 Review and confirm your proxy form details before submission.</p> <ul style="list-style-type: none"> A copy of your submitted e-Proxy Form can be accessed via My Records (refer to the left navigation panel). You need to submit your e-Proxy Form for every CDS account(s) you have or represent. 	
<p style="text-align: center;">PROXIES</p> <p>All appointed proxies need not register for remote participation under (B) above but if they are not registered users of the e-Portal, they will need to sign up as users of the e-Portal under (A) above by 19 MAY 2024. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY. Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, <u>provided the proxy must be a registered user of the e-Portal</u>, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a virtual basis.</p>	

ON THE DAY OF THE MEETING

Log in to https://sshsb.net.my/ with your registered email and password	
(D) Join the Live Stream Meeting (eLive)	
Meeting Date and Time Thursday, 23 May 2024 at 11:00 a.m.	eLive Access Date and Time Thursday, 23 May 2024 at 10:30 a.m.
<ul style="list-style-type: none"> Look for Petra Energy Berhad under Company Name and 18th AGM on 23 May 2024 at 11:00 a.m.– Live Stream Meeting under Event and click ">" to join the meeting. 	
<ul style="list-style-type: none"> The access to the live stream meeting will open on the abovementioned date and time. If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/ Management/relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user. 	

(E) Vote Online Remotely during the Meeting (eVoting)	
Meeting Date and Time Thursday, 23 May 2024 at 11:00 a.m.	eVoting Access Date and Time Thursday, 23 May 2024 at 11:00 a.m.
<ul style="list-style-type: none"> If you are already accessing the Live Stream Meeting, click Proceed to Vote under the live stream player. OR If you are not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for Petra Energy Berhad under Company Name and 18th AGM on 23 May 2024 at 11:00 a.m. – Remote Voting under Event and click “>” to remotely cast and submit the votes online for the resolutions tabled at the meeting. 	
<p>Step 1 Cast your votes by clicking on the radio buttons against each resolution.</p> <p>Step 2 Review your casted votes and confirm and submit the votes.</p> <ul style="list-style-type: none"> The access to eVoting will open on the abovementioned date and time. Your votes casted will apply throughout <u>all</u> the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder’s indicated votes in the proxy form. The access to eVoting will close as directed by the Chairman of the meeting. A copy of your submitted e-Voting can be accessed via My Records (refer to the left navigation panel). 	

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Tan Sri Datuk Seri Panglima Sulong bin Matjeraie**
(Chairman/Independent Non-Executive Director)
2. **Ng Ing Peng**
(Independent Non-Executive Director)
3. **Gian Carlo Maccagno**
(Non-Independent Non-Executive Director)
4. **Dato' Anthony @ Firdaus bin Bujang**
(Executive Director/Group Chief Executive Officer)
5. **Dato Ahmadi bin Yusoff**
(Executive Director)
6. **Simon Ong**
(Executive Director)
7. **Zuhaida binti Zulkifli**
(Independent Non-Executive Director)
(Appointed on 1 September 2023)
8. **Abdul Rahim bin Abdul Hamid**
(Senior Independent Non-Executive Director)
(Retired on 25 May 2023)

AUDIT COMMITTEE

1. **Ng Ing Peng** (Chairperson)
2. **Tan Sri Datuk Seri Panglima Sulong bin Matjeraie**
3. **Gian Carlo Maccagno**
4. **Zuhaida binti Zulkifli**

NOMINATION AND REMUNERATION COMMITTEE

1. **Ng Ing Peng** (Chairperson)
2. **Gian Carlo Maccagno**
3. **Tan Sri Datuk Seri Panglima Sulong bin Matjeraie**
4. **Zuhaida binti Zulkifli**

GOVERNANCE, COMPLIANCE AND RISK COMMITTEE

1. **Zuhaida binti Zulkifli** (Chairperson)
2. **Ng Ing Peng**
3. **Gian Carlo Maccagno**
4. **Tan Sri Datuk Seri Panglima Sulong bin Matjeraie**

COMPANY SECRETARIES

1. **Chua Siew Chuan**
(MAICSA 0777689 / SSM PC NO. 201908002648)
2. **Lim Lih Chau**
(LS0010105 / SSM PC NO. 201908001454)

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, 1 Sentral,
Jalan Rakyat,
Kuala Lumpur Sentral,
P.O. Box 10192,
50706 Kuala Lumpur,
Wilayah Persekutuan

HEADQUARTERS

Suite 13-02, Level 13,
Menara OBYU,
4, Jalan PJU 8/8A,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03-7726 5576
Fax : 03-7726 3686
Email : peb.corporate@penergy.com.my

REGISTERED OFFICE

Suite 13-02, Level 13,
Menara OBYU,
4, Jalan PJU 8/8A,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03-7726 5576
Fax : 03-7726 3686
Email : peb.corporate@penergy.com.my
Website : www.petraenergy.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
[Registration No. 197701005827 (36869-T)]
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel : 03-2084 9000
Fax : 03-2094 9940
Email : info@sshsb.com.my (for Annual Report request and/or general meeting registration matters)
Website : www.sshsb.com.my

PRINCIPAL BANKERS

- i. OCBC Bank (Malaysia) Berhad
[Registration No. 199401009721 (295400-W)]
- ii. Malayan Banking Berhad
[196001000142 (3813-K)]
- iii. United Overseas Bank (Malaysia) Berhad
[199301017069 (271809-K)]
- iv. Al Rajhi Banking & Investment Corporation (Malaysia) Sdn. Bhd.
[Registration No. 200501036909 (719057-X)]

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Berhad

Sector : Energy
Stock Code : 5133
Stock Name : PENERGY

BOARD OF DIRECTORS' PROFILE



TAN SRI DATUK SERI PANGLIMA SULONG BIN MATJERAIE

Chairman/Independent Non-Executive Director

Age 77
Gender Male
Nationality Malaysian

DATE OF APPOINTMENT AS DIRECTOR:
28 August 2014

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):
9 years 7 months

- BOARD COMMITTEE(S) SERVED ON:**
- Member of the Audit Committee
 - Member of the Governance Compliance and Risk Committee
 - Member of the Nomination and Remuneration Committee

- ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:**
- B.A. (Hons) Degree, University of Malaya (1970)
 - Inns of Court School of Law, London
 - Called to the Bar of England and Wales in the Trinity Term by the Honourable Society of Inner Temple, London (1974)
 - Master of Laws (LLM), University of Southampton, (1977)
 - Certificate in Advanced Management, Banff School of Advanced Management, Alberta, Canada (1978)

- WORKING EXPERIENCE:**
- Bintulu District Officer
 - State Training Officer Sarawak
 - Secretary of the Government Examination Board
 - Director of Civic Development Unit
 - Secretary of Complaints Suggestions Bureau
 - General Manager of Sarawak Timber Industry Development Corporation
 - General Manager of Bintulu Development Authority
 - Senior Partner, Messrs. Sulong Matjeraie & Co
 - Chairman, Kuching Division of the Advocates Association of Sarawak
 - President, The Advocates Association of Sarawak
 - Judicial Commissioner, High Court of Malaya, Johor (1998)
 - Judge, High Court of Malaya, Johor Bahru (2000)
 - Judge, High Court of Sabah and Sarawak, Kota Kinabalu, Sabah
 - Judge, Court of Appeal
 - Federal Court Judge, Federal Court of Malaysia, Palace of Justice, Putrajaya
 - One of the four eminent persons to serve as member of the Judicial Appointments Commission
 - Benchers of the prestigious Honourable Society of Inner Temple, London
 - Chairman of the Board of Directors of University of Malaysia, Sarawak (Unimas) (2018)
 - Advisory Council, Asian International Arbitration Centre (AIAC) (2021)
 - Chairman of the Sarawak Sovereign Wealth Fund Board (2023)

- PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:**
- Southern Acids (M) Berhad
 - W T K Holdings Berhad

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:
Nil

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:
Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:
Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:
Tan Sri Sulong attended all six (6) Board Meetings held in the financial year ended 31 December 2023

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):

8 years 11 months

Madam Ng was appointed as Executive Director of the Company on 14 May 2015 and was redesignated as Non-Independent Non-Executive Director on 31 December 2016 and subsequently redesignated as Independent Non-Executive Director of the Company on 2 January 2019

BOARD COMMITTEE(S) SERVED ON:

- Chairperson of the Audit Committee
- Chairperson of the Nomination and Remuneration Committee
- Member of the Governance Compliance and Risk Committee

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:

- Bachelor of Accounting, University Malaya
- Member of Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

WORKING EXPERIENCE:

- Executive Director and Group Chief Financial Officer of Petra Energy Berhad
- Head of Group Finance of CIMB Investment Bank Berhad
- Head of Operations of PB Securities Sdn. Bhd.
- Financial Controller of RSH (Malaysia) Sdn. Bhd. and Reebok (M) Sdn. Bhd.
- Manager of KPMG Management Consulting division
- Senior Auditor of Ernst & Whinney (now known as Ernst & Young)
- Audit Executive of Thornton Baker Chartered Accountants, London
- Financial Accountant of Penang Development Corporation

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:

- Red Sena Berhad (in liquidation)
- MR D.I.Y. Group (M) Berhad
- HSBC Amanah Malaysia Berhad

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

Nil

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:

Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:

Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:

Madam Ng attended all six (6) Board Meetings held in the financial year ended 31 December 2023



NG ING PENG

Independent Non-Executive Director

Age	67
Gender	Female
Nationality	Malaysian

**DATE OF APPOINTMENT AS
DIRECTOR:**

14 May 2015

BOARD OF DIRECTORS' PROFILE



ZUHAIDA BINTI ZULKIFLI

Independent Non-Executive Director

Age 48
Gender Female
Nationality Malaysian

DATE OF APPOINTMENT AS DIRECTOR:

1 September 2023

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):
7 months

BOARD COMMITTEE(S) SERVED ON:

- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee
- Chairperson of the Governance Compliance and Risk Committee

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:

- Fellow member of Chartered Accountants Australia and New Zealand (CAANZ)
- Member of the Institute of Chartered Accountants Australia (ICAA)
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor of Business (Accounting), Monash University, Australia

WORKING EXPERIENCE:

- Senior General Manager, Strategy, Finance & Risk for Downstream Business, PETRONAS.
- Senior General Manager, Governance & Strategic Relations for Malaysia Petroleum Management, PETRONAS
- General Manager, Business Planning & Performance Reporting for Upstream Business, PETRONAS
- Head of Finance, PETRONAS Australia Pty Ltd
- Senior Manager, Accounts & Budget, PETRONAS International Corp Ltd
- Manager, Group Accounts & Policies, PETRONAS
- Senior Finance Executive, PETRONAS Dagangan Berhad
- Audit Senior, KPMG Malaysia

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:

The only directorship of Puan Zuhaida in other public company is CIMB Islamic Bank Berhad

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

Nil

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:

Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:

Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:

Puan Zuhaida attended all two (2) Board Meetings held in the financial year ended 31 December 2023 since her appointment as a Director on 1 September 2023

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):

11 years 7 months

BOARD COMMITTEE(S) SERVED ON:

- Member of the Audit Committee
- Member of the Governance Compliance and Risk Committee
- Member of the Nomination and Remuneration Committee

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:

Bachelor in Business Administration from Tecnico Commerciale Maddalena Adria (RO) Italy

WORKING EXPERIENCE:

- Trainee in Production and Project Management for Socotherm S.R.L, Italy (1984-1987)
- Project Manager for Socotherm S.R.L in Nigeria (1987-1990)
- Petro-Pipe Industries (M) Sdn. Bhd. in Malaysia (1990)
- Country Manager for Socotherm S.R.L in Taiwan (1991-1992)
- General Manager of Wasco Coatings Malaysia Sdn. Bhd. in Malaysia (1993)
- Deputy Managing Director of Wah Seong Corporation Berhad
- Chief Executive Officer of Wasco Energy Group of Companies

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:

The only directorship of Mr. Maccagno in other public company or listed company is Wasco Berhad (formerly known as Wah Seong Corporation Berhad)

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

Nil

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:

Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:

Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:

Mr. Maccagno attended all six (6) Board Meetings held in the financial year ended 31 December 2023



**GIAN CARLO
MACCAGNO**

Non-Independent Non-Executive
Director

Age	60
Gender	Male
Nationality	Italian

**DATE OF APPOINTMENT AS
DIRECTOR:**

18 September 2012

BOARD OF
DIRECTORS' PROFILE



DATO' ANTHONY
@ FIRDAUZ BIN
BUJANG

Executive Director/Group Chief
Executive Officer

Age 64
Gender Male
Nationality Malaysian

DATE OF APPOINTMENT AS
DIRECTOR:
18 September 2012

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):
11 years 7 months

BOARD COMMITTEE(S) SERVED ON:
Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:
• Degree in Economics (Business Admin), University Malaya
• Higher Professional Diploma in Management, University of Cambridge
• Executive MBA in International Marketing, University of Berne, Switzerland

WORKING EXPERIENCE:
• Accountant in Bank Utama Malaysia Berhad (1983)
• Secretary and Adviser to Major Tender Board for Sarawak Shell Berhad (1988-1996)
• Head of General Contracts and Head of Strategy for Sarawak Shell Berhad (1988-1996)
• Head of Strategy, Planning & Procurement for Shell Gabon, Republic of Gabon, West Africa (1988-1996)
• Chief Executive of Eastbourne Services Sdn. Bhd. (1996 to 2000)
• Director of Operations for TV3
• Chief Executive Officer for NTV7
• Group Chief Executive Officer for The NSTP (M) Berhad
• Board Member, Tourism Malaysia Berhad

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:
Dato' Anthony @ Firdauz bin Bujang does not hold any directorship in other public company and listed company

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:
Nil

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:
Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:
Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:
Dato' Anthony attended six (6) Board Meetings held in the financial year ended 31 December 2023

BOARD OF DIRECTORS' PROFILE

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):

14 years 2 months

BOARD COMMITTEE(S) SERVED ON:

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:

Bachelor of Arts (Honours), Universiti Sains Malaysia

WORKING EXPERIENCE:

Dato Ahmadi held various key management positions with experience spanning over 17 years in the rural electrification, media, agro-chemical, construction, plantation and trading sectors

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:

Dato Ahmadi does not hold any directorship in other public company or listed company

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

Dato Ahmadi is the brother of Tan Sri Bustari bin Yusuf, who is deemed interested by virtue of his interest in Shorefield Resources Sdn. Bhd., a Major Shareholder of the Company

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:

Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:

Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:

Dato Ahmadi attended all six (6) Board Meetings held in the financial year ended 31 December 2023



DATO AHMADI BIN YUSOFF

Executive Director

Age	64
Gender	Male
Nationality	Malaysian

DATE OF APPOINTMENT AS DIRECTOR:

18 February 2010

BOARD OF
DIRECTORS' PROFILE



SIMON ONG

Executive Director

Age 70
Gender Male
Nationality Malaysian

DATE OF APPOINTMENT AS
DIRECTOR:
22 February 2018

LENGTH OF SERVICE AS DIRECTOR SINCE APPOINTMENT (AS AT 23 APRIL 2024):
6 years 2 months

BOARD COMMITTEE(S) SERVED ON:
Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/RECOGNITION:

- Bachelor in Chemical Engineering (Hons) from the University of Malaya and Master in Business Administration from Rotterdam School of Management
- Member of the Institution of Chemical Engineer and a Chartered Engineer
- In 2018, Mr. Simon Ong received the Distinguished Achievement Award for Individuals from OTC-Asia for his contribution to the development of the Oil and Gas Industry in Malaysia. The OTC is the world's largest Oil and Gas conference which is held annually in Houston. OTC-Asia is a bi-annual event whose inaugural conference was held in Kuala Lumpur in 2014

WORKING EXPERIENCE:

- His 38 years broad upstream experience includes Engineering, Project Management, Maintenance and Upstream Mergers & Acquisitions and Asset Management for Shell Non-Operated Ventures
- Prior to retiring from the Royal Dutch Shell in 2017, Mr Simon Ong was the Managing Director of Shell Global Solutions and the General Manager for Projects in the East. His responsibilities included the delivery of two mega deep-water projects in Malaysia, the Gumusut-Kakap and the Malikai projects as well as leading the Shell Project and Technology Function in Malaysia. He was also a member of Shell Malaysia's Country Coordination Team
- Mr. Simon Ong has had several international assignments with Royal Dutch Shell Group, namely in Australia, The Netherlands and Canada
- In March 2012, he was elected to the Board of the Institution of Chemical Engineer, Malaysia for year 2013

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC/LISTED COMPANIES:
Mr. Simon Ong does not hold any directorship in other public company and listed company

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:
Nil

DISCLOSURE OF CONFLICT OF INTERESTS WITH THE COMPANY:
Nil

CONVICTION FOR OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTION OR PENALTY IMPOSED BY RELEVANT REGULATORY BODIES (OTHER THAN TRAFFIC OFFENCES) DURING THE FINANCIAL YEAR END:
Nil

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR END:
Mr. Simon Ong attended all six (6) Board Meetings held in the financial year ended 31 December 2023



PROFILE OF KEY SENIOR MANAGEMENT



MOHAMAD SUBKY BIN BUSTARI

Chief Executive Officer, Petra Resources Sdn. Bhd.

Malaysian, aged 40, Male

Date first appointed to the Key Senior Management Position :
1 June 2011

Academic/ Professional Qualification(s) :

BA Commerce/ BA Arts from Curtin University of Technology, Perth, Australia

Working Experience :

- 2018 - to Current: Chief Executive Officer, Petra Resources Sdn Bhd
- 2017: Appointed as Director of Business Development, Petra Energy Berhad
- 2011: Joined Petra Energy Berhad as General Manager, Operations Planning and subsequently redesignated to Strategic Planning & Business Development in 2014
- Appointed as Director of Shorefield Sdn Bhd, a subsidiary company of OBYU Holdings Sdn. Bhd. ("OBYU") until 2011
- 2010: Appointed as Director at Reservoir Link Engineering Sdn Bhd
- 2009: Held a role of Finance Executive at Reservoir Link Engineering Sdn Bhd
- Appointed as Director of KACC Construction Sdn Bhd
- Started his work career with Deloitte Consulting (M) as an analyst

Present Directorship(s) in other Public/Listed Companies :

Encik Mohamad Subky does not hold any directorship in other public company or listed company but he sits on the Board of several private companies under the PEB Group and OBYU Group

Family Relationship with any Director and/or Major Shareholder of the Company :

Encik Mohamad Subky is the son of Tan Sri Bustari bin Yusuf, who is deemed interested by virtue of his interest in Shorefield Resources Sdn. Bhd., a major shareholder of the Company

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil



KHAIRUL ANWAR BIN MOHAMAD

Group Chief Financial Officer

Malaysian, aged 42, Male

Date first appointed to the Key Senior Management Position :
1 January 2017

Academic/ Professional Qualification(s) :

- Bachelor Degree in Accounting (Hons), Universiti Tenaga Nasional, Malaysia
- Advanced Diploma in Management Accounting, Chartered Institute of Management Accountants, United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, Chartered Institute of Management Accountants, United Kingdom
- Member, Chartered Global Management Accountant
- The Executive Development Program for Private Companies, The University of Chicago Booth School of Business

Working Experience :

- January 2017 - to Current:
Group Chief Financial Officer, Petra Energy Berhad ("PEB")
- 2013: Joined PEB as Manager, Group Finance and has held various positions within the Group, the last being Deputy Group Chief Financial Officer prior to his current appointment
- 2011: Manager, Corporate Strategy & Development, Sapura Secured Technologies
- 2009: Assistant Manager, Corporate Strategy Department, Bank Muamalat Malaysia Berhad
- 2008: Senior Executive, Strategic Change Management, RHB Bank Malaysia Berhad
- 2006: Executive, Corporate Assurance Division, Astro All Asia Networks plc

Present Directorship(s) in other Public/Listed Companies :

Encik Khairul does not hold any directorship in other public company or listed company but he sits on the Board of several private companies under the PEB Group.

Family Relationship with any Director and/or Major Shareholder of the Company :

Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil

PROFILE OF KEY SENIOR MANAGEMENT



CAPTAIN SASITHARAN SOMADERAN

Chief Executive Officer, Petra Marine Sdn. Bhd.

Malaysian, aged 45, Male

Date first appointed to the Key Senior Management Position :
1 January 2017

Academic/ Professional Qualification(s) :

Master Mariner Certificate of Competency Class 1, Jabatan Laut Malaysia

Working Experience :

- 2018 - Current : CEO, Petra Marine Sdn. Bhd. (PMSB)
- 2014 - 2018 : General Manager, PMSB
- 2013 - 2014 : Marine Capt, PMSB
- 2011 - 2013 : Marine Superintendent, Bumi Armada Navigation Sdn. Bhd.
- 2010 - 2011 : Master Mariner, Bumi Armada Navigation Sdn. Bhd.
- 2006 - 2010 : Chief Officer / DPO Bumi Armada Navigation Sdn. Bhd.

Present Directorship(s) in other Public/Listed Companies :

Capt. Sasitharan does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil



ELSA IYOK JAMES

Director, Group Human Capital

Malaysian, aged 40, Female

Date first appointed to the Key Senior Management Position :
1 June 2019

Academic/ Professional Qualification(s) :

- Masters of Science in Project Management, Curtin University of Technology
- Bachelor of Business (Major in Human Resource Management), Edith Cowan University, Perth, Western Australia

Working Experience :

- March 2018 - May 2019: Senior Manager, Group Human Capital, Petra Energy Berhad
- January 2015 - February 2018: Manager, Group Human Capital, Petra Energy Berhad
- April 2011 - December 2014: Senior Executive, Group Human Capital, Petra Resources Sdn. Bhd.
- June 2008 - March 2011: Employee Relations Executive, Petra Resources Sdn. Bhd.

Present Directorship(s) in other Public/Listed Companies :

Ms. Elsa Iyok does not hold any directorship in public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil

PROFILE OF KEY SENIOR MANAGEMENT



YAHYA BIN JADI

Head, Group Compliance

Malaysian, aged 59, Male

Date first appointed to the Key Senior Management Position :
1 October 2017

Academic/ Professional Qualification(s) :

- BSc in Aeronautical Engineering, Wichita State University
- Bachelor of Business Administration, University Kebangsaan Malaysia
- Master in Business Administration, Open University Malaysia
- Business Sustainability Management - Cambridge Institute for Sustainability Leadership (CISL) – Short online Training

Working Experience :

- Jan 2022 - Current : Head of Group Compliance
- 2017 - 2021 : Head of HSSE – Petra Energy Berhad
- 2011 - 2016 : Project HSSE Management – Shell P&T Malaysia
- 1992 - 2011 : Project Management/ Mechanical Static Engineering – Sarawak Shell Berhad
- 1989 - 1992 : Quality Management – Airod Sdn. Bhd.

Present Directorship(s) in other Public/Listed Companies :

Encik Yahya Jadi does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil



BORHAN BIN OSMAN

Head, Business Unit (SK433), PEDSB

Malaysian, aged 61, Male

Date first appointed to the Key Senior Management Position :
14 February 2022

Academic/ Professional Qualification(s) :

- Chartered Project Professional – Association of Project Management (UK)
- Master of Business Administration, Curtin University of Technology
- Bachelor of Engineering (Chemical), Cleveland State University

Working Experience :

- Feb 2022 - Current : Head of Business Unit for SK433, Petra Energy Development Sdn. Bhd.
- Aug 2021 - Feb 2022 : Business Opportunity Manager, Petra Energy Development Sdn. Bhd.
- Oct 2011 - Jul 2021 : Front End Engineering Manager, Sarawak Shell Berhad
- 2007 - 2011 : Senior Process Engineer, Shell Global Solutions (Netherlands)
- 2000 - 2007 : Senior Front-End Engineer, Sarawak Shell Berhad
- 1996 - 1999 : Senior Project Engineer, Shell MDS Sdn Bhd (Malaysia)
- 1986 - 1995 : Facilities/Process Engineer, Sarawak Shell Berhad

Present Directorship(s) in other Public/Listed Companies :

Mr Borhan Bin Osman does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil

PROFILE OF KEY SENIOR MANAGEMENT



FARDZILLAH BINTI ABDUL MANAP

Head of Group HSSE.

Malaysian, aged 49, Female

Date first appointed to the Key Senior Management Position :
17 July 2023

Academic/ Professional Qualification(s) :

- B.Eng (Hons) Chemical Engineering
University Of Manchester Institute of Science and Technology (UMIST), United Kingdom

Working Experience :

- Jul 2023 - Current : Head of Group HSSE, Petra Energy Berhad
- Apr 2023 - Jul 2023 : Assistant Manager, Technical Safety & Environment, Sime Darby Plantation
- Aug 2018 - Dec 2021 : Downstream HSSE Reporting Lead – Global Commercial (GC) and Chemicals, Shell Malaysia Trading Sdn Bhd
- Aug 2012 - Aug 2018 : Head, QHSSE Management System & Assurance and HSSE Culture, Brunei LNG Sdn Bhd (International Assignment seconded from Shell Malaysia)
- Jan 2010 - Jul 2012 : Major Projects, Senior Construction HSE Advisor, Shell Refining Company Berhad
- Jun 2007 - Dec 2009 : Construction HSE - Environmental Lead, Qatar Shell GTL Limited (International Assignment)
- Jan 2005 - May 2007 : Corporate Affairs & Communications Manager, Shell Refining Company Berhad
- Nov 2001 - Dec 2004 : Refinery Environmental Engineer, Shell Refining Company Berhad
- Oct 1998 - Nov 2001 : Upstream Process Engineer, Technip Geoproduction (M) Sdn Bhd

Present Directorship(s) in other Public/Listed Companies :

Fardzillah Binti Abdul Manap does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil



ALICIA ANN BHAGWANDAS

Head, Corporate Communications & Branding

Malaysian, aged 44, Female

Date first appointed to the Key Senior Management Position :
1 June 2019

Academic/ Professional Qualification(s) :

- Group Higher Diploma Media Studies, Stamford College KL
- LCCI Professional in Marketing, Public Relations, Sales and Advertising

Working Experience :

- June 2019 - Current : Head, Corporate Communications & Branding
- 2015-2019 : Manager, Group, Corporate Communications & Branding, Petra Energy Berhad (“PEB”)
- 2010-2015 : Assistant Manager, Corporate Communications, PEB
- 2004-2009 : Senior Executive, Communications Petra Perdana Bhd.
- 2001-2003 : Marketing Executive, Asian Wall Street Journal

Present Directorship(s) in other Public/Listed Companies :

Ms. Alicia Ann does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil

PROFILE OF KEY SENIOR MANAGEMENT



NOR ASLINA BINTI ISMAIL

Head, Business Services

Malaysian, aged 48, Female

Date first appointed to the Key Senior Management Position :
1 June 2019

Academic/ Professional Qualification(s) :

- Bachelor of Laws (Hons), Universiti Kebangsaan Malaysia
- Admitted and enrolled as Advocate and Solicitor at High Court of Malaya, Kuala Lumpur

Working Experience :

- June 2019 Current : Head of Business Services, Petra Energy Bhd. ("PEB")
- 2012 : Joined PEB as Manager (Group Risk Management & Insurance) and has held various positions within the Group, the last being Head of Group Contract Commercial & Compliance and Group Admin & Insurance
- 2010 : Head of Servicing Development Unit, BIB Insurance Brokers Sdn. Bhd.

Present Directorship(s) in other Public/Listed Companies :

Ms. Nor Aslina does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil



NOOR AHMAD BIN MOHAMAD BASIR

Acting Head, Group Internal Audit

Malaysian, aged 43, Male

Date first appointed to the Key Senior Management Position :
1 December 2023

Academic/ Professional Qualification(s) :

- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Associate Member of the Institute of Internal Auditor Malaysia (IIAM)
- Bachelor of Accountancy with Honours

Working Experience :

- Dec 2023 - Current : Acting Head, Group Internal Audit
- August 2022 - Nov 2023 : Manager, Group Internal Audit
- Oct 2014 - August 2022 : Assistant Manager, Group Internal Audit, Muhibbah Engineering (M) Bhd
- Mar 2013 - Sept 2014 : Internal Audit Senior Executive, Infinity Logistic & Transport Sdn Bhd
- April 2011 - Feb 2013 : Internal Audit Executive, Lay Hong Berhad
- July 2008 - Mar 2011 : Internal Audit Executive, Pernec Corporation Berhad
- Mar 2004 - Jun 2008 : Audit Assistant Manager, JL Ong & Associates

Present Directorship(s) in other Public/Listed Companies :

Noor Ahmad Bin Mohamad Basir does not hold any directorship in other public company or listed company

Family Relationship with any Director and/or Major Shareholder of the Company : Nil

Disclosure of Conflict of Interests with the Company : Nil

Conviction for Offences within the past 5 years and any Public Sanction or Penalty imposed by relevant regulatory bodies (other than Traffic Offences) during the financial year end : Nil



MOPU, PETRA Orion Banang Field, Offshore Terengganu Malaysia

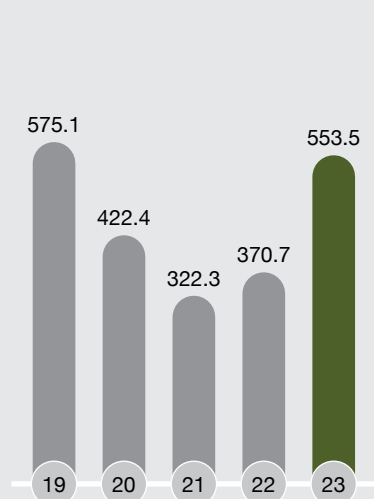
FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
INCOME STATEMENT					
REVENUE	553,532	370,724	322,342	422,362	575,100
EBITDA*	150,133	61,004	83,917	85,178	119,526
Profit Before Tax (PBT)/(Loss Before Tax) (LBT)	64,773	10,109	22,569	23,061	62,030
Profit After Tax (PAT)/(Loss After Tax (LAT))	52,722	13,076	15,941	16,014	61,919
PATAMI (attributable to enquiry holders)	52,722	13,076	15,941	16,014	61,919
BALANCE SHEET					
Total assets	676,366	630,007	551,188	638,043	625,038
Total shareholders' equity	407,954	387,328	387,090	383,468	380,741
Total liabilities	268,412	242,679	164,098	254,575	244,297
Total borrowings	25,529	36,860	32,837	27,170	28,706
Dividend/share (sen)	11.0	5.0	4.0	4.0	6.0
Share price at the end of each financial year (RM per share)	0.95	0.86	0.77	1.06	1.36
Earnings per share (sen)	16.43	4.07	4.97	4.99	19.29
Net assets/share (RM)	1.27	1.20	1.20	1.19	1.19
Total cash balances (RM'million)	225.0	184.8	143.1	173.0	158.8
Net gearing ratio (Net D/E)	(0.49)	(0.38)	(0.28)	(0.38)	(0.34)

* EBITDA amount before impairment of assets and unrealised foreign exchange gain/losses.

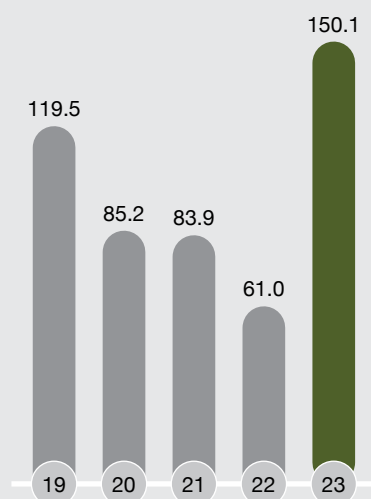
REVENUE
RM Million

RM553,532



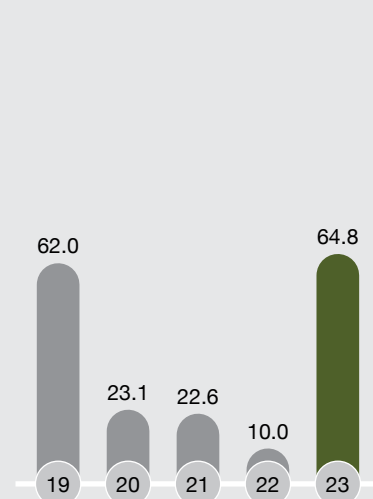
EBITDA
RM Million

RM150,133



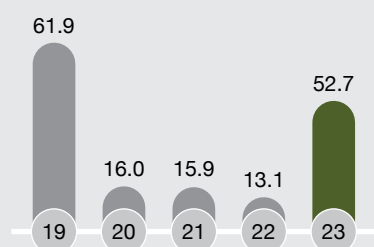
PBT/(LBT)
RM Million

RM64,773



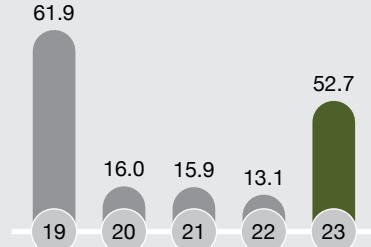
PAT/(LAT)
RM Million

RM52,722



PATAMI
RM Million

RM52,722



CALENDAR OF EVENTS 2023



11 Jan 2023

Blood Donation Drive at PETRA HQ & KLPO, in collaboration with Pusat Darah Negara. This initiative demonstrated our collective spirit of the #PETRACares culture.



17 Jan 2023

PETRA Energy Bhd's Majlis Kesyukuran 2022 & Doa Selamat 2023 was hosted in Menara OBYU, expressing our gratitude for the blessings bestowed upon us in the past year while seeking blessings for the year ahead.



14 February 2023

PETRA Energy Bhd celebrated Sustainability, Integrity & HSSE Day 2023, reaffirming our steadfast commitment to sustainable practices, unwavering integrity, and prioritizing HSSE in all aspects of our operations.



13-15 March 2023

The 8th edition of the Fast Track Engineer (FTE) Programme Since its establishment in 2012, the FTE Programme has remained committed to nurturing the future leaders of engineering. Our initiative prioritizes diversity and inclusivity, with a deliberate focus on graduates from under served communities and challenging backgrounds.



8 March 2023

We proudly celebrated International Women's Day by extending a gesture of appreciation to all the incredible women within our organization.



6 April 2023

Majlis Berbuka Puasa Bersama Anak-Anak Yatim Rumah Kasih Harmoni, underscoring our commitment to community welfare and fostering bonds of compassion. This event not only provided an opportunity to break fast together but also allowed us to share moments of joy and solidarity with the children of Rumah Kasih Harmoni.



24 May 2023

PETRA Energy Bhd convened its 17th Annual General Meeting (AGM) broadcasted from One World Hotel, Petaling Jaya. On the same day, PETRA's Raya Open House was organised. A festive occasion that brought together members of our PETRA family to celebrate the spirit of togetherness and unity.

8-9 June 2023

PETRA Energy Bhd participated in the Sabah Oil and Gas Conference & Exhibition, reaffirming our commitment to the advancement of the industry and regional development. Concurrently, we had the privilege of signing a significant Statement of Intent with the Malaysian Anti-Corruption Commission (MACC) to promote anti-corruption awareness in schools across Sabah. This initiative demonstrates our dedication to fostering ethical values and integrity within our communities, particularly among the youth. We are deeply honored to collaborate with MACC on this noble endeavor, further solidifying our resolve to uphold transparency and accountability in all facets of our operations.



13-15 June 2023

PETRA Energy participated in the International Energy Week held in Kuching. This event provided an invaluable platform for us to showcase our expertise, exchange insights, and explore collaborative opportunities with industry peers and stakeholders.



19 August 2023

PETRA Energy's Miri team showcased their vibrant spirit and community engagement by participating in the Miri City Parade, commemorating Sarawak's 60th Independence celebration.

CALENDAR OF EVENTS 2023



20 August 2023

PETRA Energy hosted Berambah Bersama SK433 Stakeholder Engagement Luncheon, bringing together local enforcement bodies and tuai rumah (community leaders) for a meaningful dialogue and operations updates.



10 October 2023

PETROS Board of Directors visit to the SK433 Project site together with PETRA'S Leadership and project team. This visit provided an invaluable opportunity for PETROS' leadership to witness firsthand the progress of our operations.



11 October 2023

PETRA Energy marked a significant milestone with the SK433 First Well Drilling Ceremony at the historic Grand Old Lady site in Miri, Sarawak. This momentous occasion was graced by the esteemed presence of The Right Honourable Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, Premier of Sarawak. Against the backdrop of Miri's rich petroleum heritage, we celebrated the commencement of drilling operations with a sense of pride and anticipation for the promising future ahead.



12 October 2023

Dato' Anthony Bujang, Group Chief Executive Officer delivered a captivating Special Address at the MOGSC Members Day, focusing on the theme of 'Building A Resilient Organization'. Sharing PETRA Energy's commitment to continuous improvement, innovation, and resilience in the face of evolving market dynamics.



14 October 2023

Yayasan UTP Charity Golf Tournament



30 October 2023

The launch of the 'Kedai Jujur' Programme in Sabah. A sustainability initiative to cultivate value of integrity and honesty starting at school level, in collaboration with Jabatan Pendidikan Negeri Sabah and Malaysia Anti-Corruption Commission Sabah. The launching ceremony was officiated by Chief Minister of Sabah, Datuk Seri Panglima Haji Hajiji Bin Haji Noor.



3-5 November 2023

PETRA Energy celebrated a decade of steadfast support and sponsorship at the prestigious Sarawak Regatta, marking a significant milestone in our ongoing commitment to cultural and heritage preservation.



5 December 2023

SK433 Project Team dynamic team building event. This engaging session provided an opportunity for our team members to strengthen bonds, foster collaboration, and enhance communication skills in a supportive and interactive environment.



23 November 2023

PETRA's Board of Directors Site Visit to SK433 project. The visit provided an invaluable opportunity for our board members to gain firsthand insights into the progress and operations at SK433.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS



Dear Shareholders,

On behalf of the Board of Directors of PETRA Energy Berhad (PETRA or the Group or Company), I am pleased to present to you the Group's Annual Report 2023.

As we reflect on the past year, it is with a sense of pride that we acknowledge our strong performance. A testament to our resilience, adaptability and steadfast commitment to financial discipline in the face of challenges and evolving market dynamics.

Globally, the start of 2023 was one of caution and uncertainty, with policymakers and businesses navigating a delicate balance between inflationary pressures, the need for economic growth, and the evolving geopolitical landscape. Discussions around the energy transition emphasized the acceleration towards net-zero but acknowledged significant challenges and uncertainties.

Closer to home in Malaysia, the political landscape and Malaysia's economy was experiencing a period of recovery and transition, navigating challenges such as global inflationary pressures and supply chain disruptions, while benefiting from high commodity prices and a resurgence in tourism and domestic consumption. Growth was projected for the Malaysian economy.

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For the oil and gas industry, there was a growing emphasis on the energy transition, diversifying the energy mix and increasing the share of renewables in line with Malaysia's commitment to reduce its carbon footprint and achieve sustainability goals.

It was also highlighted by the Government of Malaysia that "hydrocarbons would remain key as part of Malaysia's energy transition, with natural gas taking a pivotal role and the National Energy Transition Roadmap (NTER) designed to pave the way for the achievement of an environmentally sustainable, long-term energy security in Malaysia, driven by technological innovation." (Note – takeaways from Energy Asia 2023)

PETRONAS in its Activity Outlook 2024-2026 noted that "the energy sector must rapidly transform amidst the shifting energy landscape and demand for cleaner energy solutions while balancing the energy trilemma of security, affordability and sustainability; taking into account the combined impact of geopolitical conflict, rising costs of living and the climate crisis that adds up to the already uncertain economic environment".

For PETRA, 2023 was standout year underpinned by strategic foresight and diligent execution. The foundational work over the past 8-10 years, driven by transformational initiatives, has gained momentum. This meticulous planning and focus on cost efficiency and astute management in contract execution culminated with the Company posting strong operational profits for the financial year ended 2023.

The performance of the Group's marine assets segment and the services segment, generated commendable margins for the Group driven by increased utilization rates and activity levels. The increased activities across all our business segments in 2023 augured well for PETRA. We managed to deliver on our commitments and secure some new projects.

We began the year with our continued emphasis on sustainability, guided by our ESG Framework. We continued to prioritise Management systems and integrity alongside our commitment to HSE - Generative Culture. Financial prudence and cost management were consistently driven across all business units. Operationally, we maintained our focus on enhancing upstream capabilities staying true to our strategy of moving up the value chain while securing more work in the services segment.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

We continued to make steady progress operationally. Banang operations performed well, both in routine and non-routine scope and delivered on all KPIs and work campaigns contributing positively to the Group's financials. The team successfully and safely drilled the Banang B5 well and achieved first oil ahead of schedule.

The work for the SK433 Petroleum Contract continued at a heightened pace. The contract marked a significant milestone in October 2023, with the commencement of the onshore first well drill in Miri, Sarawak. It was a defining moment and symbolic for PETRA having begun in Miri 36 years ago. Our work in the exploration, development and production segment is in alignment with our vision to move up the value chain.

A pivotal achievement this year was securing work with MMHE, notably the Kasawari CCS project. The Kasawari CCS Project is one of the world's largest carbon capture projects. This reinforces our role in the broader energy transition, a reality we cannot afford to ignore.

Our progress has been commendable and we ended the year in a strong financial position supported by a healthy balance sheet.

Financial Performance

The Group's financial performance significantly improved for the financial year ended 31 December 2023. PETRA recorded strong operational profits. Revenue was recorded at RM553.5million as compared to revenue of RM370.7million in 2022 contributed largely from the high utilization of marine assets and cost and activities executed in the Services segment

The Group's Profit After Tax stood at RM52.7 million for the financial year ended 31 December 2023 representing an increase of 310% as compared to FYE2022. The Group's robust financial

position is attributed to cost efficiency in contracts executed and higher margins recorded in 3rd party charters, in view of better rates secured and contribution from the services segment.

2023 SIGNIFICANT HIGHLIGHTS

- The first well for the SK433 Petroleum Contract in Miri – a symbolic milestone for PETRA having begun in Miri, Sarawak. This was a pivotal moment for both PETRA and Sarawak's energy landscape.
- The continuation of the Banang Technical Services Agreement with PETRONAS relating to the Production, Operations and Maintenance of the Banang Field.
- The award to undertake Hook-up and Commissioning works for the Kasawari CCS project – the largest carbon capture and storage (CCS) project in the world.
- Strong vessel utilisation for its offshore marine assets.
- Financial health remains robust – healthy balance sheet with zero gearing and strong cash balances.
- Maintained healthy dividend payout.
- Strong HSE performance driving generative HSE culture. PETRA was also recognized by the Malaysian Society of Occupational Safety & Health for achieving commendable HSE standards for all our operating locations.



FINANCIAL HIGHLIGHTS



Clean balance sheet



Zero gearing



Strong cash balances



Highest dividend pay-out



Highest operational profit



Profitability resulting from operational efficiency and cost management



Strong funding support - the ability to secure funding for projects demonstrating strong financial health and alignment with the financial community's goals



Secured 'transition financing facility' to support ESG compliant projects



The Group's balance sheet, gearing and cash position remained strong. Cash position increased to RM225 million in 2023 from RM184.8 million in 2022, while Net Debt-to-Equity ratio remains below zero and maintained its healthy state. Net Assets per Share increased to 1.27 from 1.20 in the previous year. The Group continues to secure financing lines, which includes transition financing packages aligned with our ongoing commitment to projects that promote ESG principles.

During the year, the Group also recorded an impairment of RM13.9 million on marine assets.

The Company is pleased to share that our financial position has allowed PETRA to declare a total dividend of 11.0 sen with respect to the financial year ended 31 December 2023, the highest dividend declared to date by the Company. The Group declared a single-tier interim dividend of 3.0 sen per ordinary share in Quarter 3 of 2023. In addition, the Group announced a special single tier dividend of 4.0 sen per ordinary share on 15 Dec 2023 arising from the conclusion of disposal of an underutilised vessel. Lastly on 22 February 2023, another single-tier interim dividend of 4.0 sen per ordinary share was declared with respect to the financial year ended 31 December 2023.

ESG – AN OVERARCHING STRATEGY

Sustainability remains at the core of our operations. We intensified our ESG efforts, diving deeper into measuring our impact, focusing on management systems and enhancing our community engagement

programs. These initiatives are not just a moral imperative but are increasingly becoming a competitive advantage in our industry.

PETRA's leadership is committed to focusing on the Group's ESG Framework developed in 2022. The sustainability framework identifying 13 materiality areas was completed, leading to initiatives to operationalise ESG within PETRA. The Group's Management Systems will reinforce these materiality areas, with a firm commitment to adhering to international standards through auditing, ensuring that PETRA's actions and declarations are validated.

The Group's sustainability report can be viewed at page 46 of this Annual Report.

CHAIRMAN’S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

UPHOLDING INTEGRITY AND GOOD GOVERNANCE

The Leadership at PETRA continues to emphasize integrity and anti-bribery, conducting awareness sessions for its supply chain and engaging employees in its Anti-Bribery Management Systems (ABMS). This is an ongoing initiative.

In upholding corporate governance and to maintain zero tolerance on bribery and corruption, the Group has in place a Whistleblower Policy Annual integrity pledges by the leadership and all employees reinforces this commitment.

PETRA maintained its ISO37001 Anti Bribery Certification which the Group attained in 2021.

2023 was also focused to further embedding the Generative HSE (Health, Safety, and Environment) Culture across the organization. This approach, in alignment with PETRONAS’ HSE vision, is aimed at fostering an environment where safety and well-being are foundational to our operations, encouraging authentic engagement and shared responsibility at all levels. This move supports the Group’s commitment to not only meet but exceed industry standards in health, safety, and environmental practices, demonstrating a deep commitment to the safety and health of its employees, stakeholders, the environment and the communities it serves. This is an ongoing initiative for the Group.

OPERATIONAL HIGHLIGHTS BY SEGMENT

SERVICES SEGMENT

The services segment consists of the Group’s activities in the area of providing services for the oil and gas industry such as Hook-up and Commissioning (HuC), Maintenance, Construction and Modifications (MCM), marine vessels support for HuC and MCM works, fabrication yards, trading and engineering services.

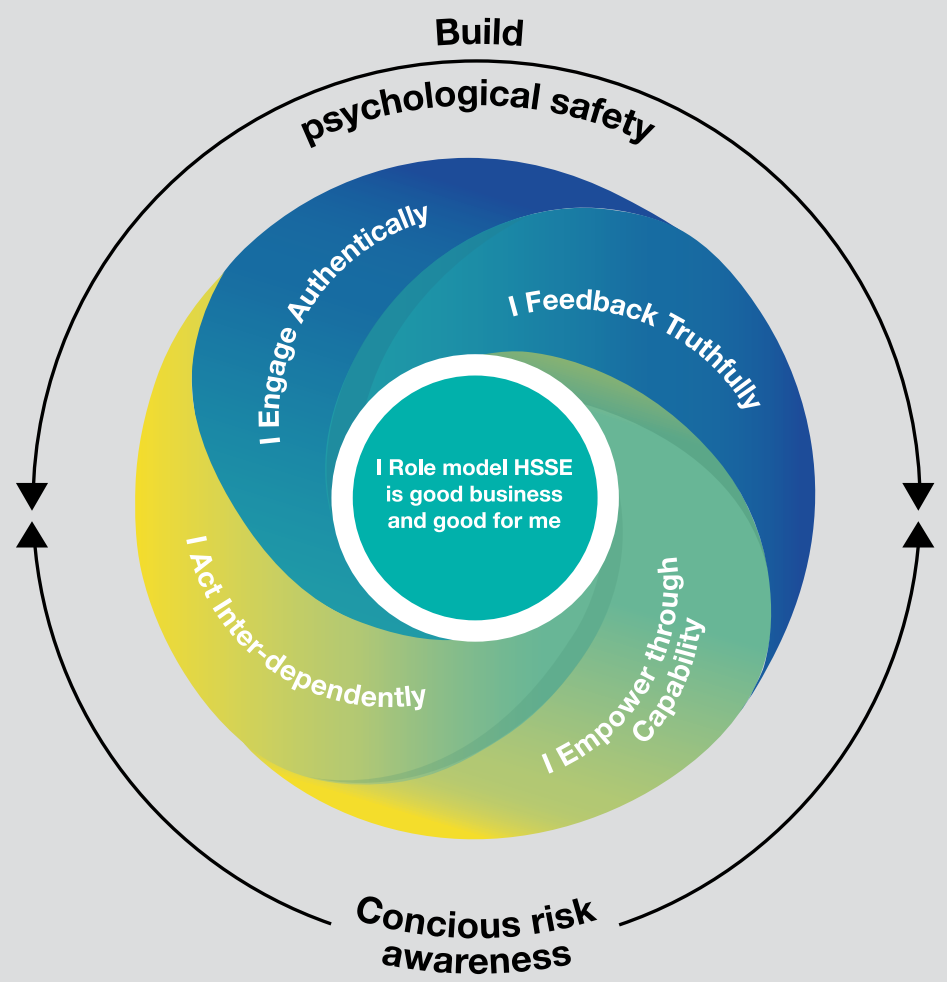
It also includes the Group’s participation in the Technical Services Agreement (TSA) with PETRONAS, since June 2020, to operate and maintain the Banang oilfield on behalf of PETRONAS.

HEALTH, SAFETY & ENVIRONMENT

The Group’s safety performance remained positive during the period for recording approximately 3.8 million manhours of work undertaken Groupwide.

2023 HSE Highlights

- Gold Merit for PETRA Energy Development Sdn Bhd (Banang), PETRA Marine Sdn Bhd and PETRA Fabrication Yard, Labuan
- Gold Class 1 - PETRA Piasau Operations
- Gold Class 2 - PETRA Kota Kinabalu Project Office (KKPO)
- Achieved 5.3 million manhours without LTI for its MCM operations and 3 million manhours without LTI for work undertake at the PETRA Fabrication Yard
- Maintained its ISO14001 and ISO45001 Certification



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

The segment recorded revenue of RM366 million and profit before taxation of RM39 million, as compared to RM279.30 million and PBT of RM34.8 million respectively in FY2022, mainly due to higher activities. Contracts within this segment that contributed to the Group's revenue are:

- The Production, Operations and Maintenance of the Banang Field Technical Service Agreement (TSA)
- HUC sub contract works for MMHE for the Jerun, Kasawari CCS and Kasawari CPP Projects
- The Maintenance Construction and Modification (MCM) Services contract by PETRONAS Carigali for work offshore Sabah.
- HuC and MCM projects executed for PETRONAS Carigali – includes independent HuC contracts and rescue projects during the period under review
- Provision of Water Maker Maintenance Services and Supply of parts for PETRONAS Carigali Sdn Bhd
- Provision of rental portable air compressors for PETRONAS Carigali Sdn Bhd
- Provision Of Mechanical Rotating Equipment Maintenance Services & Provision of Offshore Crane Operations and Maintenance Services for Sarawak Shell Berhad and Sabah Shell Petroleum Berhad
- Master Service Agreement (MSA) for Lifting Equipment Operation and Maintenance Services for PETRONAS Carigali Sdn. Bhd. – Malaysia Asset Package B

Significant HUC Project Highlights:

The Hook-up and Commissioning unit undertook work for the following projects during the period under review.

- KNNAG (Kinabalu Gas) – Train A & B Ready for Start-Up (RSFU) & Start-Up Project
- SAMARANG Enhance Oil Recovery – Seal Gas Condenser Unit (SGCU) & Punch List Completion Project
- JERUN Centre Processing Platform (CPP) Project
- KASAWARI CPP Gas Field Development Project
- KASAWARI Carbon Capture and Storage Project

PETRA completed 83 work orders (primary and cost plus) safely for HuC work during the period under review.

Significant MCM Project Highlights:

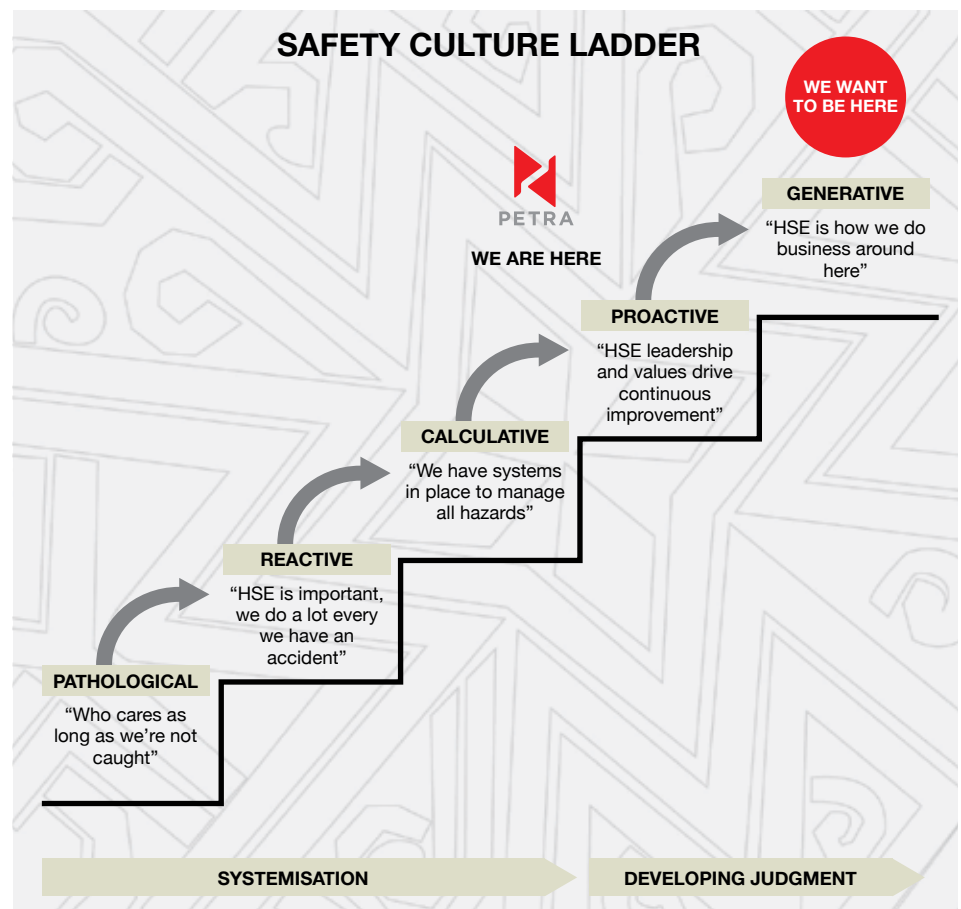
The Maintenance, Construction and Modification (MCM) project for PETRONAS Carigali Sdn Bhd for Sabah Asset saw the completion of three turnarounds* in 2023, namely;

- The Samarang Turnaround Project
- The ERB West and Kinarut Turnaround
- Sumandak Turnaround Project

66 workorders were completed for the MCM Project. All of which were completed safely, within schedules and budget.

In 2023, the project marked a safety milestone recording 5,386,539 manhours without LTI (since July 2019) for projects undertaken within the MCM contract.

The industry is anticipating a bullish outlook for the oil and gas sector, largely influenced by positive trends noted in the PETRONAS Activity Outlook 2024-2026, driven by an increase in activities, suggesting a robust stance on the prospects for OGSE players. With guidance indicating higher activity levels, there's a general consensus that the sector is poised for a period of significant growth.



*Turnaround - In the oil and gas industry, a turnaround refers to a scheduled event where an entire process unit of a plant is taken offline for a comprehensive set of maintenance activities. These activities include inspections, repairs, and upgrades that cannot be performed while the plant is in operation. The goal of a turnaround is to ensure the safe and efficient operation of the facility, comply with regulations, and minimize the risk of unplanned outages. It's a critical time for the plant, involving extensive planning and coordination to minimize downtime and return to production as quickly and safely as possible.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS



The Group remains guarded against over optimism and will continue to pursue opportunities within the industry.

However, the Group remains guarded against over optimism and will continue to pursue opportunities within the industry. Cost management and improving its execution efficiencies remains a priority.

The company will institute measures to reduce its emissions across its supply chain as it undertakes work within this segment in alignment with the Group's overarching ESG strategy, our clients and the Nation's sustainability goals.

BANANG TSA

In 2023, PETRA continued to undertake operations and maintenance of the Banang oilfield located offshore Terengganu, Malaysia. This also included operating and maintaining PETRA Orion, a Mobile Offshore Production Unit (MOPU).

In 2023, PETRA undertook the drilling of well B5 successfully and completed ahead of schedule. A significant milestone for the Group being the first ever drilling operations undertaken by PETRA since it began its upstream operatorship journey.

All KPI's were achieved for operations for the Banang Project.

HSE performance

- Clocked 1,010,440 manhours (since 29 Jun 2020 till 31 Dec 2023)
- 1,281 LTI-free days (since 29 Jun 2020 till 31 Dec 2023)
- ZERO fatality case

- ZERO Permanent Partial Disability ("PPD") case
- Zero Permanent Total Disability ("PTD") case
- No Tier 1 Loss of Primary Containment (LOPC)



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS



- The Group's marine vessels successfully completed all campaigns for the year 2023 without recordable downtime
- As part of the Group's Asset upgrade and modernization plan, PETRA LYRA, a 2009 built accommodation workbarge was sold for RM18.44 million during the period under review. The disposal was timely and helped monetise non-performing assets within the group and crystallise the asset value at a reasonable price. The disposal resulted in savings in terms of annual laid-up costs, reactivation and dry-docking costs.
- The marine assets segment contributed RM361 million to the Group's revenue.

The outlook for the offshore marine assets segment is optimistic, with improved charter rates and higher margins anticipated, buoyed by an uptick in operational activities. This positive trend is expected to sustain in 2024, driven by increased demand for offshore marine services against a backdrop of tighter asset supply.

Production performance

- Facilities availability of more than 95% on annual average basis

Banang Revisit Campaign had drill an infill well B5

- ZERO LTI & ZERO spill
- ZERO NPT (non-performance time) due to rig & third-party equipment. The rig was on hire from 22 April 2023 – 21 May 2023
- Within AFE time; planned duration of 35 days vs. actual duration of 30 days
- Within AFE cost
- Well unloaded successfully with first oil on 18 May 2023
- Leveraged on PETRA's internal expertise for SIPROD (simultaneous production & drilling) & Well Tie-In (WTI) scopes – staying true to our brand promise of synergising partnerships
- B5 Well Intervention Campaign involving first Sand Detection Tool (SDT) deployment in Malaysia and Memory Production Logging Tool (MPLT).

MARINE ASSETS SEGMENT

This segment encompasses the Group's activities that cover the range of marine assets and fleet operations, management and chartering. PETRA's fleet of marine vessels includes:

- 4 accommodation workboats
- 2 accommodation workbarges
- 1 anchor handling tug supply vessel (AHTS)
- 1 mobile offshore production unit (MOPU)

Significant Highlights:

- The Group's marine unit clocked 670,392 manhours without Lost Time Incident (LTI) during the period and cumulatively achieved 2.654 million manhours since March 2020.
- Vessel utilisation was recorded at 65.2% from 62% in the previous financial period.



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

EXPLORATION, DEVELOPMENT & PRODUCTION

This segment categorises the Group's business activities in relation to the rejuvenation of matured fields as well small and marginal field development and production. Currently, this involves the Inaugural Petroleum Contract for onshore Block SK433 in Miri by Petroleum Sarawak (PETROS).

Block SK 433 is in the Miri-Marudi area covering Northern Marudi and includes the Adong Kechil West ("AKW") discovery. The nature of the Contract is one of Production Sharing. The SK433 Block contains the ("AKW") discovery which the SK433 Venture is progressing to appraise and develop based on the outcome and the viability studies.

Significant activities in 2023 includes:

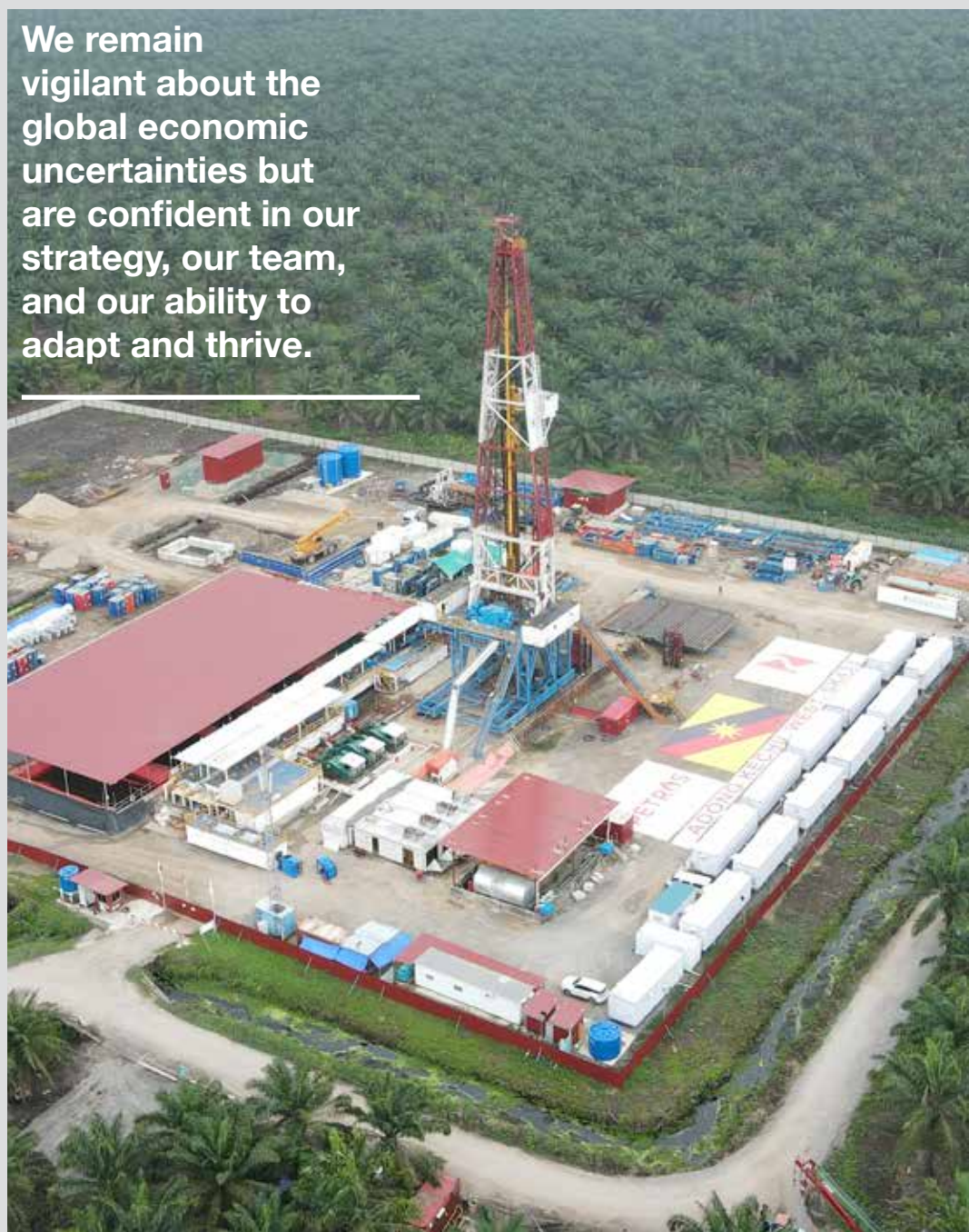
- Facilities and AKW site clearing, restoration and upgrading commenced in March 2023 and was completed in May 2023.
- Community engagement and crisis simulation exercises were carried out with the involvement of major agencies i.e Majlis Keselamatan Negara (National Security Council), PETROS and PETRA to ensure readiness of all stakeholders.
- The subsurface teams completed a regional study over Block SK433 providing a better understanding of petroleum systems - a total of 536 line km 2D seismic was reprocessed with the latest seismic reprocessing technology to improve the data quality and enhance the prospect evaluation work.
- The pre-installation of a 30" conductor at the site in July prior to the Rig arrival
- The mobilisation of the Rig HL-2 to the AKW well site in August. It was rigged up and successfully commissioned in September 2023
- The first well (spud) on 14 October 2023 successfully penetrated all target formations. This followed the first well ceremony also held in October which saw the attendance of the Premier of Sarawak and government officials and dignitaries.

The project is making steady progress, working within budgets and in alignment with minimum work commitment and expectations. Moving forward, we will continue to optimise our resources and manage our costs to ensure the sustainability and profitability. ESG considerations shall be integrated into decision making.

INTRODUCING OUR NEW BOARD MEMBER

Since September 2023, Puan Zuhaida binti Zulkifli has been appointed as an Independent Non-Executive Director of our Board. Her profile may be viewed on page 18 of this Annual Report 2023.

We remain vigilant about the global economic uncertainties but are confident in our strategy, our team, and our ability to adapt and thrive.



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS



We welcome her to the Board and are confident that her contributions and input to the Group will be extremely valuable. We look forward to working with her towards fulfilling our vision of being a Sustainable Energy Company.

OUTLOOK

Looking ahead, we are poised for continued growth. The investments we have made in people and processes have laid a strong foundation for future success. We remain vigilant about the global economic uncertainties but are confident in our strategy, our team, and our ability to adapt and thrive.

Having strong fundamentals in integrity, business continuity, management systems, HSE and financial prudence has allowed us to remain resilient and sustainable.

Moving forward, we shall intensify business development across the services segment, strive towards operatorship opportunities and grow in our role to play a part in the renewable energy segment.

Our participation in the world's largest CCS Project, leveraging our expertise in HuC, positions PETRA advantageously

for future growth and contributions to sustainable energy solutions.

The foundations we have laid allows us to pursue these expansions effectively, underpinned by a commitment to maintaining cost efficiency and operational excellence to support our growth trajectory.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to convey our sincere thanks to all our stakeholders, beginning with our shareholders for their support and believe in the Company.

My colleagues on the Board for their counsel and providing oversight. Your insights and guidance have been invaluable in steering our course with prudence and foresight. Thank you for your unwavering commitment to excellence and accountability.

A special note of thank you to En Abdul Rahim bin Abdul Hamid, who retired in May 2023 after 12 years and 10 months on the board of PETRA Energy Bhd. We wish him the best in his future endeavours.

To our clients for your continued support and belief in our capabilities. Thank you for being an integral part of our journey and growth.

To our vendors and partners, thank you for journeying with us. Together, we've navigated challenges, celebrated milestones and created synergy. Thank you for your commitment

None of our achievements would have been possible without our dedicated team of employees and our frontline crew. I want to express my deepest gratitude to every member of the PETRA family. Your hard work, innovation, commitment and dedication is the backbone of our achievements.

Thank you.

#PETRAcares

Tan Sri Datuk Seri Panglima Sulong bin Matjeraie
Chairman

24 April 2024

Sustainability Report



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SUSTAINABILITY REPORT

ABOUT THIS REPORT

PETRA Energy Bhd (“PETRA” or “the Group”) is pleased to present its Sustainability Report for financial year ended 31 December 2023.

This report contains data and information related to the disclosure of Environmental, Social and Governance (“ESG”) on the Group’s sustainability management approach, performance data as well as risks and opportunities for our identified material topics for our stakeholder’s reference. PETRA strives to update its disclosure with reference to the Global Reporting Initiative Sustainability Reporting Standards (“GRI”) 2021 and other emerging Sustainability reporting standards and guidelines.

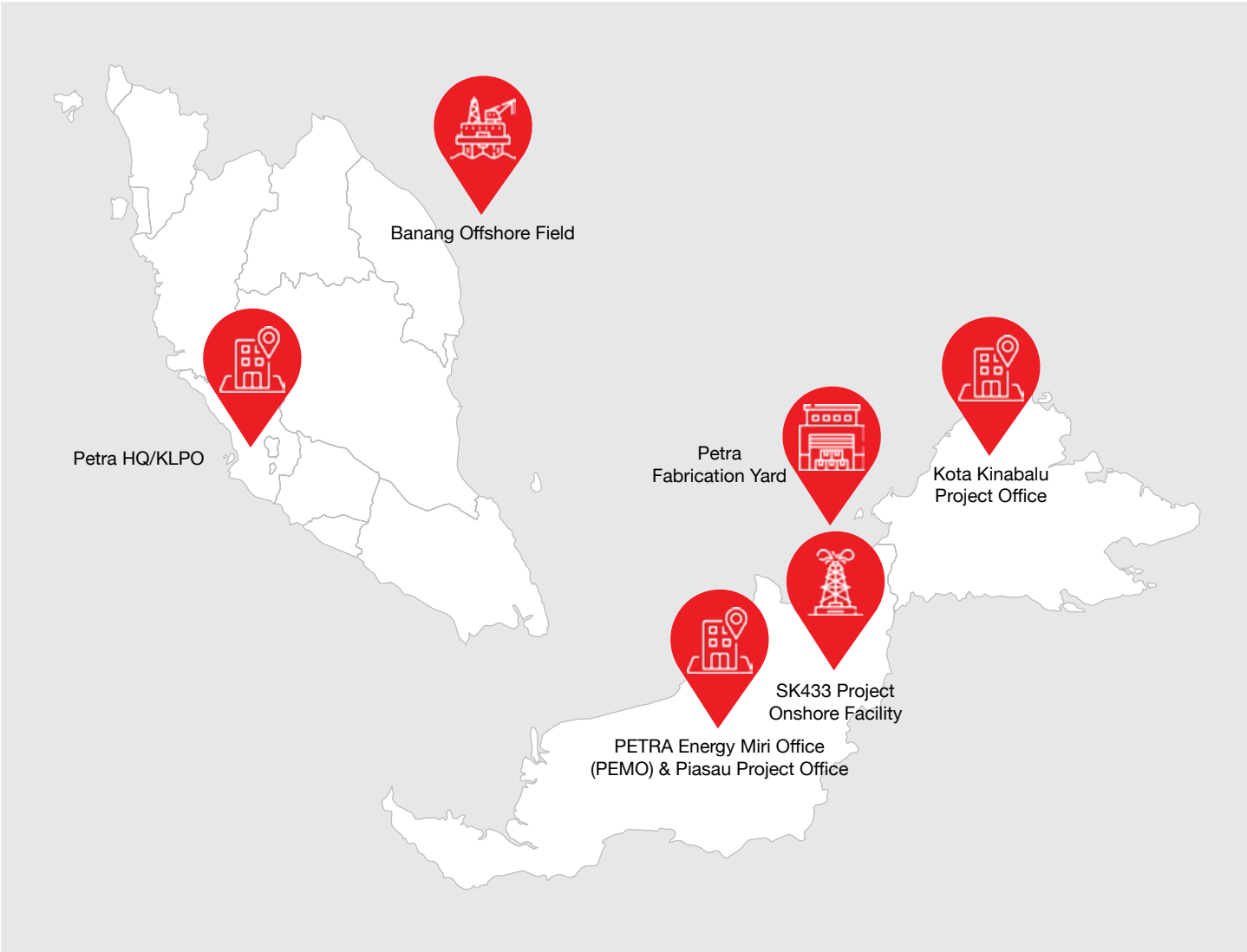
Reporting Period and Coverage

PETRA published its previous Sustainability Report, covering the Financial Year 2022, on 22 April 2023. The editorial content of this Report covers the sustainability related matter for Financial Year 2023 (“FY2023”), from 1 January 2023 to 31 December 2023.

There were no significant changes to the Group’s leadership, ownership or supply chain during the reporting period.

Reporting Scope and Boundaries

This Sustainability Report covers Petra Energy Berhad (PEB), Petra Resources Sdn Bhd (PRSB), Petra Marine Sdn Bhd (PMSB) and Petra Energy Development Sdn Bhd (PEDSB). The Group is head-quartered in Petaling Jaya, Selangor and at other locations within Malaysia as shown in the map below.



Reporting Guidelines, Guiding Principles, Frameworks, Standards and Sustainability related indices

PETRA prepared this report with reference to the GRI standard 2021 and meeting the requirement of Malaysian Code on Corporate Governance (MCCG) 2021 of Securities Commission Malaysia as well Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), which sets out the Sustainability related disclosure obligations prescribed in the Main Market Listing Requirements of Bursa Malaysia Berhad. PETRA also supports goals and initiatives by the United Nations Global Compact (UNGC) and relevant United Nations Sustainable Development Goals (SDG).

Reference, Data, Restatement and Forward-looking Statements

All references to "PETRA" or the "Group" collectively refer to PETRA and all operating companies.

All metrics related to PETRA, including workforce and environmental data, refer to current reporting period. Unless otherwise indicated, information in this Report relates to PETRA's continuing operations.

Where available, data is collected and reported with the aid of existing management systems control and information systems to ensure the reliability of information flows and the accurate monitoring of sustainability performance disclosure.

This report contains forward-looking statement that are meant to provide our stakeholders with the opportunity to understand our opinions and plans with respect of the future. These statements should not be construed as absolute guarantees or predictions of PETRA's future outcomes and readers are advised not to place undue reliance on them.

Reliability and Relevance of Information Disclosed

Preparing the Sustainability Report is part of an annual reporting process subject to management review by PETRA's Sustainability Steering Committee, including final approval by the Board of Directors ("Board").

In strengthening the credibility of the Sustainability Statement, Internal Audit has conducted a review aimed at attaining reasonable assurance regarding the processes and internal controls involved in compiling and reporting the diverse governance, environmental and social indicators in this report such as economics performance, procurement practices, anti-corruption, regulatory compliance & risk management, data privacy & security, corporate social responsibility, occupational health & safety, training & education, diversity and equal opportunity, Green House Gas (GHG) emissions, energy management, water consumption & waste management.

While we haven't sought third-party verification for the information presented in this report, we are confident that our various certification audits such as ISO9001 – Quality Management Systems, ISO45001 – Occupational Safety and Health Management Systems, ISO14001 – Environmental Management Systems, ISO37001 – Anti Bribery Management Systems and audits related to the ISO standards respectively, have bolstered the credibility of the performance data we share with our stakeholders. However, we remain committed to enhancing our reporting transparency by continuously refining our disclosures. Furthermore, we are open to broadening the scope of our assurance activities to include external verification, aligning with our dedication to fostering trust through transparency.

The Board acknowledges the contents of this Sustainability Report and believes that the Sustainability Report contains a fair and factual account of PETRA Energy Berhad's sustainability performance for the year under review.

Restatement of Information

As we are continuously reviewing our methodology, we are restating our previous years Sustainability Performance data reporting period with improvements made to our data collection and analysis. The data reflected in this report has incorporated the above restatement.

Feedback

PETRA welcomes feedback from our stakeholders as we continuously strive to better ourselves and contribute to a more sustainable future.

Any comments and queries may be addressed to:

Petra Energy Berhad
Sustainability

e-mail: sustainability@penenergy.com.my



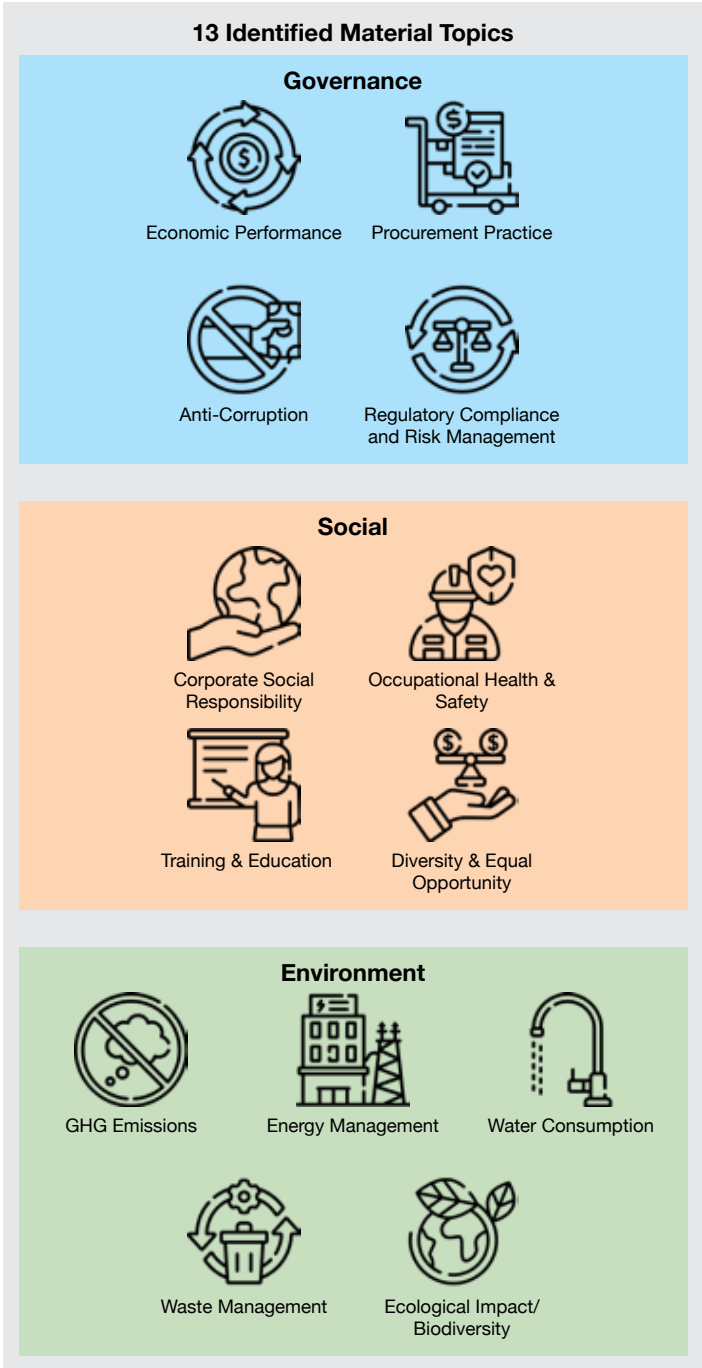
MESSAGE FROM THE GROUP CEO

On behalf of the Board of Directors, I am pleased to present PETRA’s Sustainability Report 2023.

For the period under review, the Group continued to work diligently towards our sustainability goals as outlined in PETRA’s ESG Framework, covering 13 materiality topics. The Group’s ESG Framework is established as the overarching strategy for PETRA, guiding our commitment to sustainability.

Our governance initiatives saw the continuation of anti-bribery awareness sessions, engaging both our internal team and key external stakeholders in alignment with TRUST principles. At PETRA, each year, every employee participates in an integrity pledge, officially witnessed by the Malaysian Anti-Corruption Commission (MACC) representatives held during the Group’s annual Sustainability, Integrity and HSE Day.

We also saw meaningful progress in our social initiatives, notably through the recruitment of 19 fast-track engineers under the Group’s Fast Track Engineer Programme. This initiative, that began in 2012, underscores our commitment to empowering youth from challenging communities, providing them with opportunities for growth and development. This initiative is an ongoing effort for PETRA.



In 2023, we marked our 10th year participating in the Sarawak Regatta, our CSR commitment to preserving culture, arts, and heritage in the communities where we operate.

We intensified our efforts to infuse a Generative Health, Safety, and Environment (HSE) culture within our organization, starting with comprehensive awareness sessions groupwide. This foundational step is just the beginning; in 2024, we aim to extend these principles to our suppliers, ensuring that our commitment to HSE transcends our immediate organization to foster a broader culture of safety and responsibility.

However, our journey this year was not without challenges. We experienced one Lost Time Injury (LTI) involving a contractor crew, a stark reminder of the continuous need for vigilance and improvement. This incident was thoroughly investigated, with the aim of not just understanding what happened, but also implementing effective measures to prevent future occurrences.

Our approach to safety emphasizes our commitment to not just compliance, but to the well-being of every individual connected with our operations. As we advance into 2024, we advocate for HSE to be recognized as a mindset, an integral part of our daily lives at PETRA. It is our ambition for every employee to embody these values, ensuring their actions contribute to a safer, more responsible, and sustainable work environment. In doing so, we not only protect each other but also uphold the #PETRACares responsibility. We want to set a standard for the industry, creating an environment that is respected and emulated.

For our environmental initiatives, we made good progress and have been actively working to record and verify our baseline environmental data, an essential step in our journey that will help us align with the broader ESG aspirations.

While we acknowledge our progress, significant additional effort is required to align our initiatives with broader aspirations. We also acknowledge the challenges in monitoring sustainability performance data. We may not be able to pivot the organization overnight but we will show sincere intent and innovate as we progress in our efforts to preserve the environment, nurture and cultivate the growth of people and uphold strong corporate governance.

I wish to express my gratitude to our Board members for their invaluable contributions, as well as to our employees and partners, whose support has been instrumental in advancing our goals and ESG ambitions.

#PETRACares

Thank you.

Dato' Anthony Bujang



SUSTAINABILITY REPORT

CREATING VALUE THROUGH SUSTAINABILITY

PETRA's vision is to be a sustainable energy company. Creating shared economic value for our stakeholders is essential to our culture. We aim to help meet the world's energy needs and address critical challenges facing the world today, including climate change, while creating value for all stakeholders.

We integrate sustainable business practices, corporate citizenship and environmental stewardship into our operations and long-term strategy. We also aim to reduce our operational carbon emissions. Our core values of Integrity, Professionalism, Commitment, Teamwork, will be the foundation our sustainability journey. These will be in line with the United Nations Sustainable Development Goals ("UNSDGs") vision, shared principles and commitments.

The oil and gas industry contributes significantly to the nation's economic growth, supporting jobs, providing lower energy costs for consumers and ensuring energy security. PETRA continues to contribute to the advancement of the industry and the nation through its operations:

1. Exploration, Development and Production
2. Integrated Brownfield Services
3. Marine Assets

ADVANCING THE INDUSTRY THROUGH PARTICIPATION

PETRA contributes to industry advancement by playing its role in various industry organisations. We participate in associations and trade events in the oil and gas sector, staying abreast of industry trends. This engagement facilitates contributions to relevant discussions, addressing emerging challenges, learning and contributing to enhance sustainability practices within the industry.

Memberships held by the Group, not limited to the following:

- Malaysian Oil, Gas & Energy Services Council ("MOGSC")
- Malaysian Gas Association ("MGA")
- Malaysian Petroleum Resources Corporation ("MPRC")
- Malaysian Institute of Corporate Governance ("MICG")
- Malaysian Society for Occupational Safety & Health ("MSOSH")
- Malaysian Shipowners' Association ("MASA")
- The Baltic and International Maritime Council ("BIMCO")
- Malaysian Employers Federation (MEF)

PETRA's representatives actively engaged with conference attendees, exchanging ideas, knowledge and insights on various oil and gas industry topics. The company's expert also participated in panel discussions, technical sessions and workshops, sharing their expertise and experience of relevant industry trends, challenges and solutions. In 2023, PETRA participates in the following industry conferences, exhibitions and forums.

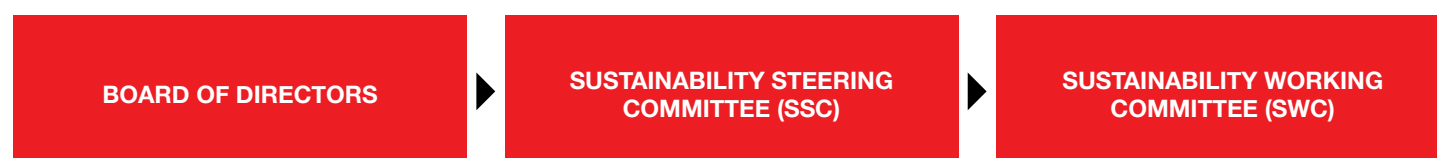
- Sabah Oil & Gas Exhibition & Conference
- International Energy Week
- Malaysia Upstream Project Excellence Conference
- MCM Offshore Communication Day
- PETRONAS Operation Readiness Assurance (ORA) Forum 2023

SUSTAINABILITY GOVERNANCE

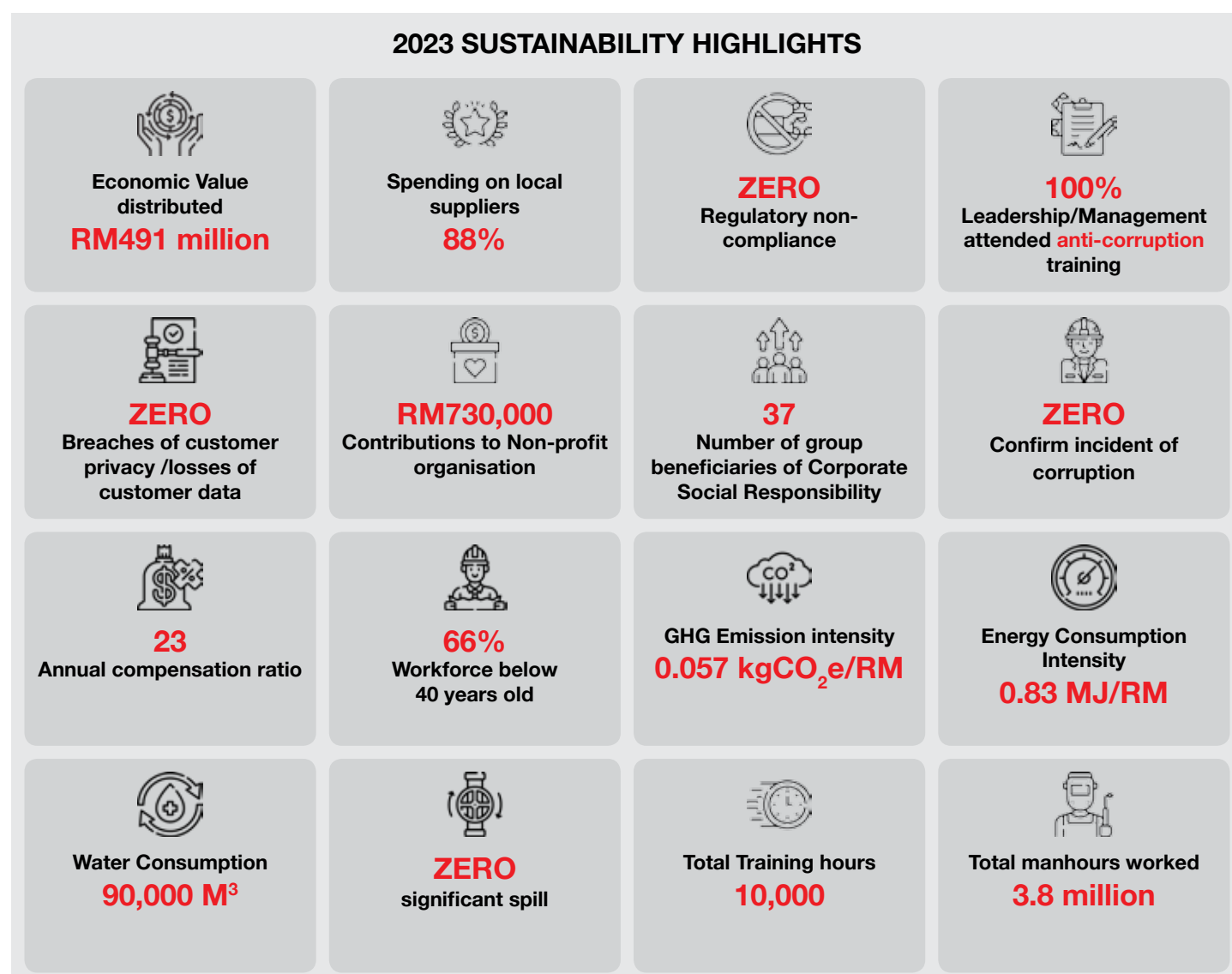
Strong governance structures and clear accountability help PETRA deliver its sustainability commitments. The Board of Directors is the highest governance body that provides advisory and approves the sustainable development strategy and target. The Sustainability Steering Committee will advised the Board and is responsible for driving sustainability strategy and reviewing sustainability progress throughout the reporting period.

The Sustainability Working Committee is responsible for driving the implementation of sustainability initiatives and collaborating with various business units throughout the Group.

PETRA's Sustainability Governance Structure is as depicted below:
















2023 SUSTAINABILITY HIGHLIGHTS



SUSTAINABILITY REPORT

OUR CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

In 2015, the United Nations launched 17 Sustainable Development Goals (UNSDGs) to end poverty, fight inequality and injustice and tackle climate change by 2030. The UNSDGs provide a blueprint for human progress and a clear call to action for businesses to contribute to a better future. We are committed to playing our role and believe we can add value across several UNSDGs by leveraging our expertise and partnering.

Sustainability Pillars	PETRA Commitment	Highlights and Achievements	Relevant UNSDGs
 Governance	PETRA remains committed to generating direct and indirect economic value through its business strategies and operations.	<ol style="list-style-type: none"> 1. Vendor Development Programme (VDPx), in support of clients' agenda to prioritise local talent, vendors and content. 2. PETRA has appointed five companies to date as a VDPx anchor to PETRONAS. 3. Master Supply Agreement established with local contractors (an ongoing initiative) to support local participation in our procurement process. 4. Profitability resulting from improved project execution, operational efficiency and deliver to our client. 5. Maintained ISO 37001 (Anti- Bribery Management System) certification. 6. Maintained ISO 9001 (Quality Management System) certification for PRSB. 	 
 Social	We prioritise cultivating a high-performing, inclusive work environment for all employees centred on PETRA's desired behaviours. We continue to play our role as responsible corporate citizens in the community.	<ol style="list-style-type: none"> 1. Safe operations Group-wide. 2. Continued our commitment to the preservation of culture & heritage and developing communities. 3. Maintained ISO 45001:2018 Occupational Health and Safety Management System certification. 4. Continued developing our competencies & skill sets and workforce diversity 	    
 Environmental	PETRA strives to reduce, manage and mitigate its environmental footprint in terms of resource consumption, greenhouse gas emissions and addressing climate change impacts.	<ol style="list-style-type: none"> 1. Commence streamlining our reporting on GHG Emissions and Energy Management. 2. Our headquarters is a certified Green Building. 3. Maintained ISO 14001:2015 Environmental Management System certification. 4. EIA study for the Development & Production segment. 	  

* We interchangeably use Economic and Governance

FOCUSING ON THE IMPERATIVES

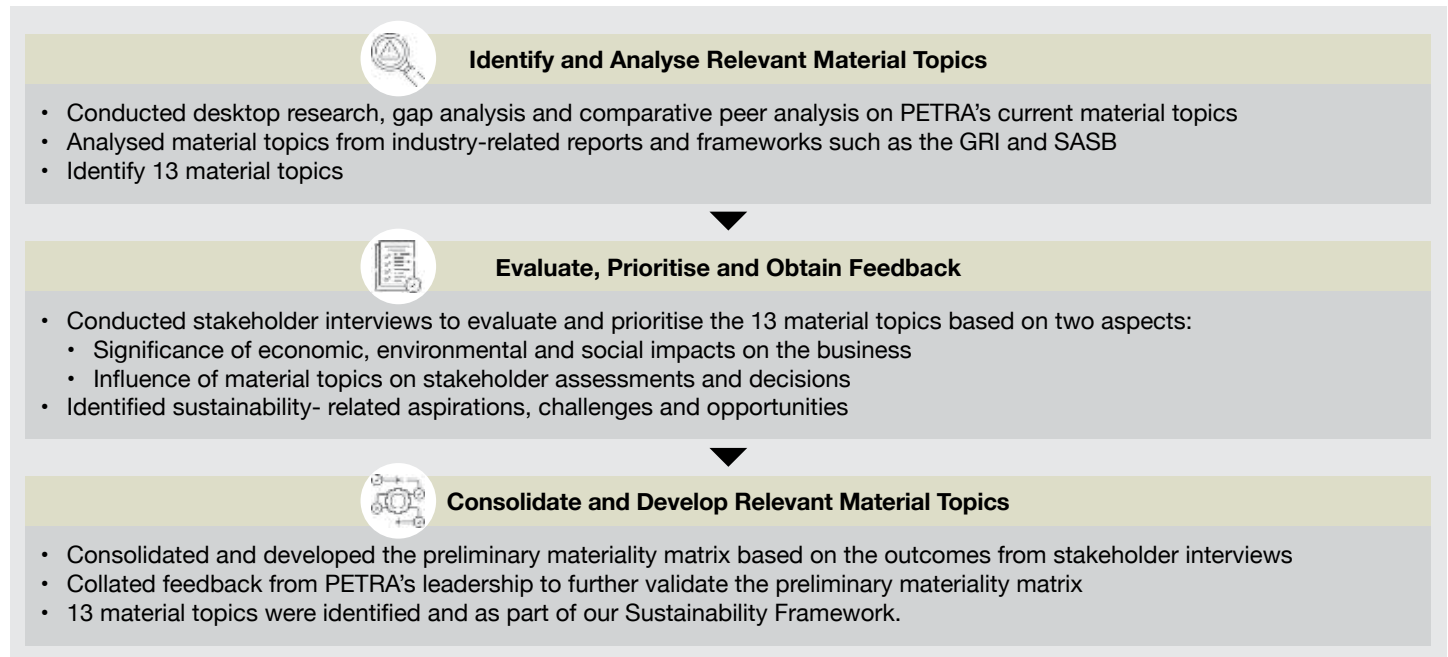
PETRA conducted a detailed assessment of material issues by engaging a broad spectrum of stakeholders in 2021.

This assessment helps us to identify key ESG (Sustainability) matters by identifying key issues significant to our stakeholders. It allows us to develop strategies for developing a robust sustainability management and to capitalize on opportunities more effectively.

We did not perform any materiality analysis in the year under review as the current material topics are still relevant to the organization based on the various engagement with the stakeholders.

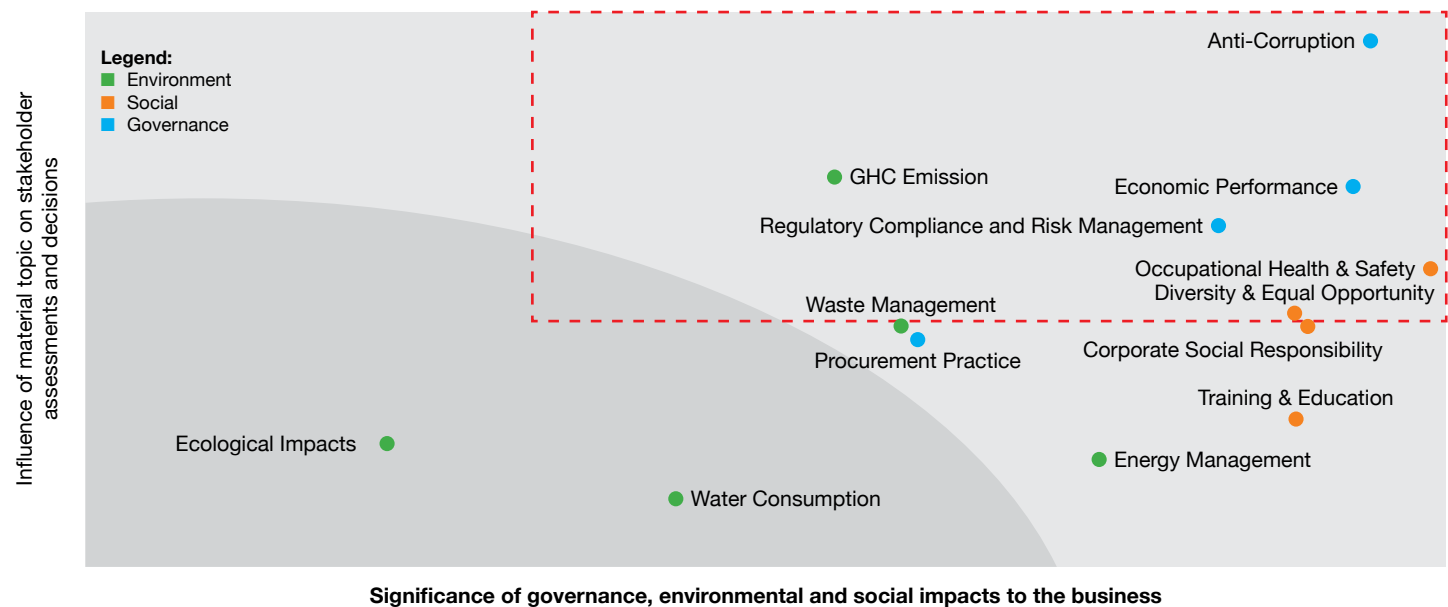
The Process

The process to identify, analyse, evaluate, prioritise and consolidate relevant material topics was as follows:



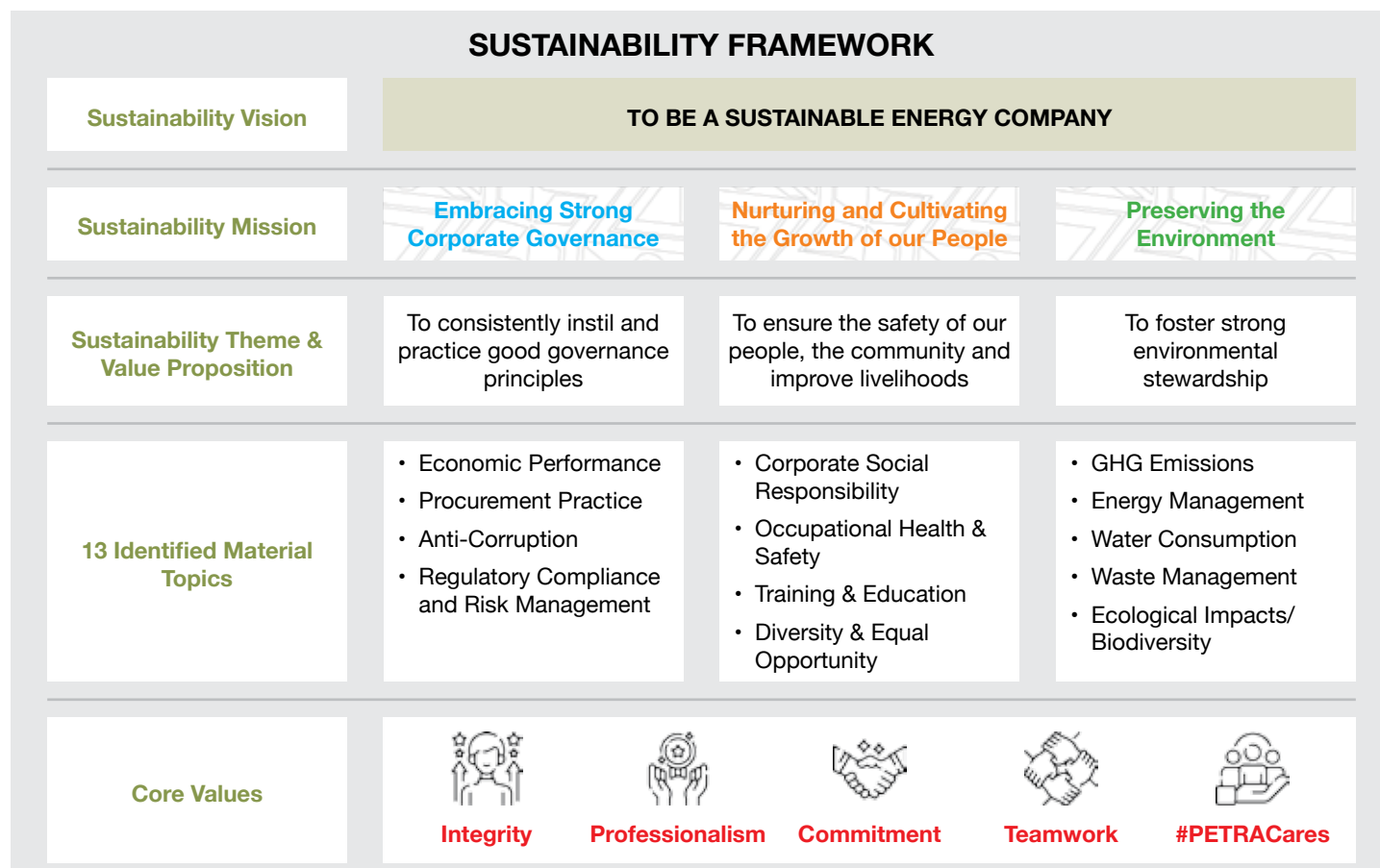
PETRA's 2022 materiality matrix

Materiality Matrix based on stakeholder engagement sessions



Definition of Our Material Topics

Governance	
Economic Performance	<ul style="list-style-type: none"> Generating sustainable economic value and wealth for stakeholders while managing profitability, stakeholder wealth, profitability, revenue growth and the company's balance sheet
Procurement Practice	<ul style="list-style-type: none"> Engaging with suppliers that behave economically, environmentally and socially responsibly to maintain human rights and sustainability in the supply chain
Anti-Corruption	<ul style="list-style-type: none"> Conducting ethical business by managing risks associated with corruption, bribery, fraud, bias and other activities that breach ethical behaviour Ensuring PETRA upholds the industry's highest professional and ethical standards
Regulatory Compliance and Risk Management	<ul style="list-style-type: none"> Managing risks arising from the company's operations to ensure the company can achieve its business objectives without any significant adverse consequences Complying with applicable laws and regulations made by regulators and government bodies of the countries where the company operates
Social	
Corporate Social Responsibility	<ul style="list-style-type: none"> Creating opportunities and working closely with communities to make a positive impact on these communities and areas of operations
Occupational Health & Safety	<ul style="list-style-type: none"> Providing a safe and healthy work environment for employees and contractors by preventing incidents such as injuries, fatalities and illness by careful planning operations to identify potential hazards and risks
Training & Education	<ul style="list-style-type: none"> Actively engaging with employees through established communication channels and team bonding activities Providing employees with opportunities to enhance their competencies and skills to strengthen relationships between the management and employees
Diversity & Equal Opportunity	<ul style="list-style-type: none"> Cultivating a diverse and inclusive workplace where all employees are treated fairly and provided with equal opportunities regardless of their nationality, gender, race, age, religion, ethnicity, or physical ability
Environment	
GHG Emissions	<p>Managing the discharge of direct and indirect greenhouse gases resulting from the company's operations, covering scope 1, 2, and 3 emissions to alleviate the risks of climate change on the environment and the company's operations:</p> <ol style="list-style-type: none"> Scope 1 consists of direct Greenhouse Gas (GHG) emissions from sources that PETRA owns and controls, such as emissions from the combustion of fossil fuels Scope 2 consists of indirect GHG emissions from generating purchased energy for the company's operations, such as electricity, heating and cooling Scope 3 emissions include all other indirect GHG emissions that occur within the company's value chain
Energy Management	<ul style="list-style-type: none"> Addressing the environmental impact of energy consumption from sources such as diesel and electricity for the company's operations, Managing energy efficiency and intensity, energy mix and grid reliance
Water Consumption	<ul style="list-style-type: none"> Covering the impact on water resources of the geographical locations the company operates in due to water usage, water consumption and wastewater generation for operations PETRA's management of water efficiency and wastewater treatment
Waste Management	<ul style="list-style-type: none"> Addressing PETRA's management of hazardous and non-hazardous waste produced from their operations in terms of treatment, handling, disposal and regulatory compliance Reducing the harmful effects of waste on the environment
Ecological Impacts/ Biodiversity	<ul style="list-style-type: none"> Managing the impacts of the company's operations on ecosystems and biodiversity to protect the local environment of the locations where they operate



Our sustainability actions are structured into three main pillars of Corporate Governance, People and Environment. Guided by our core values of Integrity, Professionalism, Commitment and Teamwork, we continue to strive to be a sustainable energy company.

In this year disclosure, we also adopting the Bursa Mandatory disclosure requirement of Data Privacy and Security.

In terms of disclosure, we have added the Data Privacy and Security as a material topic in 2023 reporting cycle as required by Bursa Malaysia. We add this new material topic as part of our governance pillar.








STAKEHOLDER ENGAGEMENT

Establishing mutual relationships with stakeholders is of paramount importance. We view stakeholders as essential partners and actively engage with them regularly to share our strategy, goals and progress and to receive their feedback. Stakeholders are individuals, groups or organisations that PETRA affects or are impacted by.

Stakeholder engagement is critical for gaining and maintaining a license to operate. Engaging with stakeholders is more than a two-way dialogue: it involves building long-term, honest and transparent relationships.

SUSTAINABILITY REPORT

A summary of our key stakeholder categories and engagement details are listed below.

Stakeholder	Method of Engagement	Matters Discussed
 Employees	<ul style="list-style-type: none"> Employee Induction Programme Performance appraisals Team buildings Management HSE Visit Employee Engagement initiatives Sustainability, Integrity and HSE Day Whatsapp Group's (on-going) 	<ul style="list-style-type: none"> Business goals & targets Transformation plan initiatives Core Values & Behaviours sharing HSSE plan and sharing Generative Culture Workshops ESG related matters Management systems certification Staff performance
 Customers	<ul style="list-style-type: none"> Industry events & exhibitions Face-to-face engagement Formal and informal meetings & updates Client's HSE management visits 	<ul style="list-style-type: none"> Company activities Company capabilities
 Investors & Shareholders	<ul style="list-style-type: none"> Annual Report Annual General Meeting PETRA website Quarterly announcement of financial results to Bursa Malaysia 	<ul style="list-style-type: none"> Annual General Meeting Company updates Annual performance
 Government & Regulatory Authorities	<ul style="list-style-type: none"> Meetings & engagements Audit and inspections 	<ul style="list-style-type: none"> Regulatory Requirements Company updates Audits and plans
 Communities & the public	<ul style="list-style-type: none"> Exhibitions Career fairs CSR activities Engagement 	<ul style="list-style-type: none"> Company activities Recruitment
 Financial Institutions	<ul style="list-style-type: none"> Annual Report Engagement with bankers 	<ul style="list-style-type: none"> Company updates
 Vendors & Business Partners	<ul style="list-style-type: none"> Integrity & Anti-Bribery Awareness Sessions Meeting and engagement 	<ul style="list-style-type: none"> Supporting the Group's business objective Corporate Liability MACC Section 17(A) Challenges

FOCUSING ON THE IMPERATIVES

PETRA conducted a detailed assessment of material issues by engaging a broad spectrum of stakeholders in 2021.

This assessment helps us to identify key ESG (Sustainability) matters by identifying key issues significant to our stakeholders. It allows us to develop strategies for developing a robust sustainability management and to capitalize on opportunities more effectively.

We did not perform any materiality analysis in the year under review as the current material topics are still relevant to the organization based on the various engagement with the stakeholders.

Governance



Governance is an important area for PETRA. In this report, we featured both corporate governance and sustainability governance. Sustainability governance is reflected in the earlier part of this report. In this reporting period we also will disclose additional material topic as required by Bursa Malaysia on Data Privacy and Security.

ECONOMIC PERFORMANCE

In this disclosure PETRA’s five-year roadmap (2019-2024) guides the group’s economic performance management. The summary of our economic performance in 2023 (and 2022 for reference) is as follows:

Details	2023	2022
Revenue Generated (RM ‘million)	553.5	370.7
Economic value distributed (RM ‘million)	491.3	359.7
Dividend distributed (RM ‘million)	35.3	16.1
Economic value retained (RM ‘million)	62.2	11


*For further information on our Financial Performance, please refer to Financial Statements on pages 106-166 in the Annual Report

PETRA has made initial assessment in terms of financial implications and other risks and opportunities due to climate change. The key challenges would be to secure financing facilities for our oil and gas related projects.


PETRA’s compensation and benefits programmes focus on attracting and retaining a highly-skilled workforce. We also pay all statutory benefits, including the Employment Provident Fund (EPF) and the Social Security Organisation (SOCSO).

PETRA does not offer any retirement plan for its employees. In the reporting period we did not receive any financial assistance from the government.


Supporting Our Economic Performance




Clean balance sheet




Zero gearing



Strong cash balances to deliver results



Good paymaster to our vendors



Strong credentials to raise funds for growth and expansion

PROCUREMENT PRACTICE

Suppliers/Vendors are critical to the success and delivery of PETRA’s operational goals. We engage suppliers that share our core values of integrity, professionalism, commitment and teamwork. The Group Procurement Management – Manual and Procedures govern and provide guidelines and process transparency for all procurement activities, from procurement requisition to vendor performance appraisal, incorporating the ISO 24000: Sustainable Procurement principles.

We conduct all contracting and procurement activities ethically, following our Procurement Policy and all applicable laws. This policy defines guidelines for specific sourcing requirements, evaluating formal tenders, contracting practices for recurrent goods and services, and required segregation of duties.

PETRA and its business partners hold each other mutually accountable for high ethical standards. This approach ensures that all parties continue to meet the Group’s ethical business promises.

Considerations to Ensure Vendor Suitability



Competitiveness



Technical



Compliance record



Past performance



Geographical location



Safety record



Financial stability



Environmental and social record



Business alignment



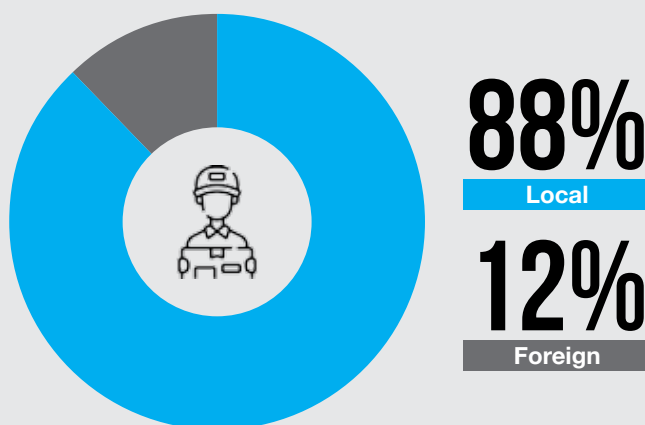
Local content

As part of our standard contracts, suppliers / vendors must comply with all applicable laws and regulations, including Health, Safety and Environment (“HSE”), conflicts of interest, anti-corruption and other social and environmental-relevant legislations.

Prioritising Local Suppliers

PETRA is committed to supporting local suppliers and service providers by increasing the percentage of locally sourced goods and services.

Local sourcing offers many economic benefits for the communities we serve. It is more cost-effective and associated with more successful delivery and response rates than non-local sourcing.



Percentage of Local and Foreign Suppliers in FY2023

SUSTAINABILITY REPORT

The increase in the foreign supplier in the current reporting period is mainly due to support requirements to our drilling operations both our Banang Operation as well as our SK-433 operations.

The Group's Vendor Development Programme ("VDPx") supports PETRONAS' agenda of prioritising local talent, vendors and content. PETRA has appointed five companies to date as PETRA's VDPx vendors, VDPx supports us to identify local vendors by providing mentoring and advisory services on technical and business models and market opportunities.

ANTI-CORRUPTION

PETRA has been certified with ISO 37001:2016 by SIRIM since 2021. During the reporting period, we have done our internal and external audits to ensure compliance to the standards. The Group's anti-bribery management system is based on the T.R.U.S.T principles that governs its stand on anti-corruption and ethical business practices. We work closely with external and internal stakeholders to meet these principles. Our performance in addressing anti-corruption within the organisation is recorded, monitored and discussed via a quarterly management review.

Key Activities and Highlights

- Annual Integrity Pledge during Sustainability, Integrity and HSSE Day
- Risk assessment on all operations
- Incorporation of ABMS requirements in relevant documents
- Internal and external audits against ABMS requirements
- Training and awareness for staff and suppliers/vendors

In the current reporting period, we embarked on a program called 'Kedai Jujur'. This program is a collaboration between Jabatan Pendidikan Negeri Sabah and MACC, Sabah. Details description of the program is available in the CSR section of this report.



WHISTLEBLOWING

There is no change in the Group's whistleblowing process. There were no confirmed incidents of corruption during this reporting period.

PETRA prioritises creating a positive feedback culture where workers feel comfortable expressing their concerns. Employees and external parties may channel their concerns by writing directly to the Chairman of the BOD, BOD, GCEO or Integrity Officer. They may also contact the general email (whistleblower@penergy.com.my). PETRA will investigate and deliberate on all reports following the Whistleblowing Policy, which is available on the Group's website.

REGULATORY COMPLIANCE AND RISK MANAGEMENT

The Group's Risk Management Framework governs practices relating to Corporate risk management. Potential risks, including sustainability risks, are discussed during management reviews, Board Risk Management Committee ("BRMCCCommittee") and later at Board Governance, Compliance and Risk Committee (GCARC) meetings and Board of Directors ("BOD") meetings.

The Group received no regulatory non-compliance reports during this reporting period. PETRA monitors regulatory compliance through the its legal registers update.



DATA PRIVACY AND SECURITY

There was no major data privacy and security incidences reported throughout year 2023. PETRA has in place relevant controls to manage the potential exposure to threat of data privacy and security incidences.

In order to further improve the management of information security in the organization, PETRA has embarked on a journey towards ISO 27001 certification which will systematically manage the controls required for all the threats related to information security including cyber security.

Social

Materiality topics under social spans across the company's internal and external operations. Internal topics for employees such as health and safety, employee engagement, training & education and diversity in our work force are important in ensuring a happy and productive workforce.

External social topics are related to the communities we operate in and how we engage effectively with them. This includes engaging on matters related to supply of labour, potential environmental practices affecting the communities and other community development needs.



CORPORATE SOCIAL RESPONSIBILITY

PETRA contributed approximately RM771,000 for various donation and sponsorship activities during the reporting period. The contribution has benefitted to 37 groups of recipients. PETRA has developed a donation and sponsorship policy and framework that provides a clear corporate strategy in this materiality topics. Details of the key contributions are as follows:

SUPPORTING THE PRESERVATION OF CULTURE AND HERITAGE

The Sarawak Regatta 2023

As part of PETRA's commitment to preserving culture and heritage, the Group has supported the Sarawak Regatta since 2012. The Sarawak Regatta is a time-honoured long boat race on the scenic Sarawak River in Kuching, Malaysia. The Sarawak Regatta dates back to 1872. It has become a significant cultural event that brings together people from various local tribes, fostering unity and promoting peace in the region. Rajah James Brooke, who wanted to end racial wars and promote harmony among the tribes, initiated the Regatta.

Being a Gold Sponsor for this event in 2023 reflects our commitment to preserving the local culture and heritage while supporting the local community. We hope to continue protecting the traditions of Sarawak, promoting community engagement and tourism in the region.



Community Development through the FTE Programme

The 8th edition of the Fast Track Engineer (FTE) Programme was held from March 13 to 15, 2023, marked yet another milestone in our commitment to cultivating the next generation of engineering leaders. This year, the response was nothing short of impressive, with over 1000 CVs pouring in, reflecting a keen interest in our initiative. From this pool of talent, 270 candidates were selected for interviews, showcasing the caliber and diversity of aspiring engineers eager to embark on their professional journey.

Since its inception in 2012, the FTE Programme has remained steadfast in its mission to nurture and groom future leaders in engineering. Our approach is grounded in the values of diversity and inclusivity, with a deliberate emphasis on reaching out to graduates from challenging backgrounds. By prioritizing inclusivity, we aim to create opportunities for individuals who may face barriers to entry in the field of engineering, thereby fostering a more equitable and representative talent.



Promoting Integrity and Honesty with ‘Kedai Jujur’ from grassroots level

In our ongoing endeavor to instill principles of integrity and honesty among the youth, we introduced the ‘Kedai Jujur’ initiative in schools throughout Sabah. This innovative program is designed to cultivate a culture of integrity among students by actively engaging them in practical activities and awareness campaigns focused on the importance of honesty. By instilling these foundational values early on, our aim is to nurture a future generation that prioritizes integrity as a fundamental aspect of their personal and professional conduct.

This sustainability initiative, conducted in collaboration with the Jabatan Pendidikan Negeri Sabah and MACC Sabah, seeks to embed the values of integrity and honesty at the grassroots level within schools. The launching ceremony took place on October 30th, 2023, at SMK Sri Nangka, Tuaran, and was graced by the presence of Yang Amat Berhormat Datuk Seri Panglima Haji Hajiji Bin Haji Noor, Chief Minister of Sabah.



Community Engagement: Enhancing Social Welfare

Throughout the year, the Group demonstrated its commitment to community building through a range of initiatives, including donations, charitable giving, sponsorships, and other forms of financial and non-financial support to local communities.

As part of our outreach efforts, we visited multiple homes, including orphanages, asnaf, mosques, and welfare homes, during the year to share the joy of the festive season, particularly during Ramadhan. These visits not only aimed to spread cheer but also to forge meaningful connections and offer support to those in need within our community.



We participated in a beach cleaning program in collaboration with the Miri City Council at Luak Esplanade Beach. This initiative underscores our commitment to environmental stewardship and our dedication to preserving the natural beauty of our surroundings while fostering a sense of collective responsibility for the well-being of our community.

Additionally, our PETRA staff proudly participated in the Miri City Parade on August 19th, 2023, in commemoration of Sarawak's 60th Independence celebration. By joining in this significant event, we showcased our solidarity with the local community and demonstrated our pride in being part of the vibrant tapestry of Sarawak's cultural heritage.



OCCUPATIONAL HEALTH & SAFETY

PETRA firmly believes that one of its core responsibilities is to provide a safe and healthy workplace for employees and suppliers / contractors/partners. This commitment is integral to our business success.

PETRA is certified with ISO 45001:2018 (Occupational Health and Safety Management systems). The Group’s Health, Safety and Environment Management System (“HSEMS”) includes a safety’s policies, manual and procedures. This management system applies to all employees and suppliers/ contractors that within Petra work environment

PETRA also had established a detailed hazard identification risk assessment processes for all our operations. Petra had established a detailed incident investigation process that will facilitate learning and improvement for our processes.

Every employee and contractor must undergo pre-employment and in-employment occupational health screening and examinations to suit their work environment requirements

Employees and contractors must participate in various health and safety awareness programmes throughout their employment, including safety inductions, a toolbox talk, pre-mob safety briefing prior mobilization to a specific site.

PETRA also issued on a regular basis Employee Information (“EI”) related to safety & health during the reporting period.

There are three major safety training types offered to our employees and contractors:

Basic
<ul style="list-style-type: none">• Must be attended by all employees• Examples include safety induction, U-See U-Act UCUA)/ACT Training
Project/Location Specific
<ul style="list-style-type: none">• Examples include working at height, Permit to Work, Specific Health, Safety and Environment induction
Competency
<ul style="list-style-type: none">• Must be attended by safety officers, blasting and painting personnel, scaffolding operators,forklift drivers as required by law.

We support the nationwide community-based intervention programme concept championed by the Ministry of Health, the Komuniti Sihat Pembina Negara (“KOSPEN”). This programme aims to minimize the potential occurrence of Non-Communicable Diseases (NCDs) and related risk factors and increase the healthy behaviours of targeted workers. The KOSPEN program is available at all locations.

PETRA implemented the following processes as part of efforts to prevent and mitigate potential occupational health and safety risks at our site and operations:

- Introduced vendors and partners pre-assessment and systems for occupational safety and health past performance
- Developed specific health, safety and environmental plans to address potential risks associated with particular vendors and partners
- Engaged regularly with key stakeholders we whom we are working on occupational safety and health

The Group introduced the following minimum requirements in managing medium and high-risk activities.



HSSE reporting requirements



Medical examination requirements



Emergency response plans



Environmental management and compliance



Occupational health



Occupational hygiene programme



Training



Reward programmes

PETRA HSE CULTURE

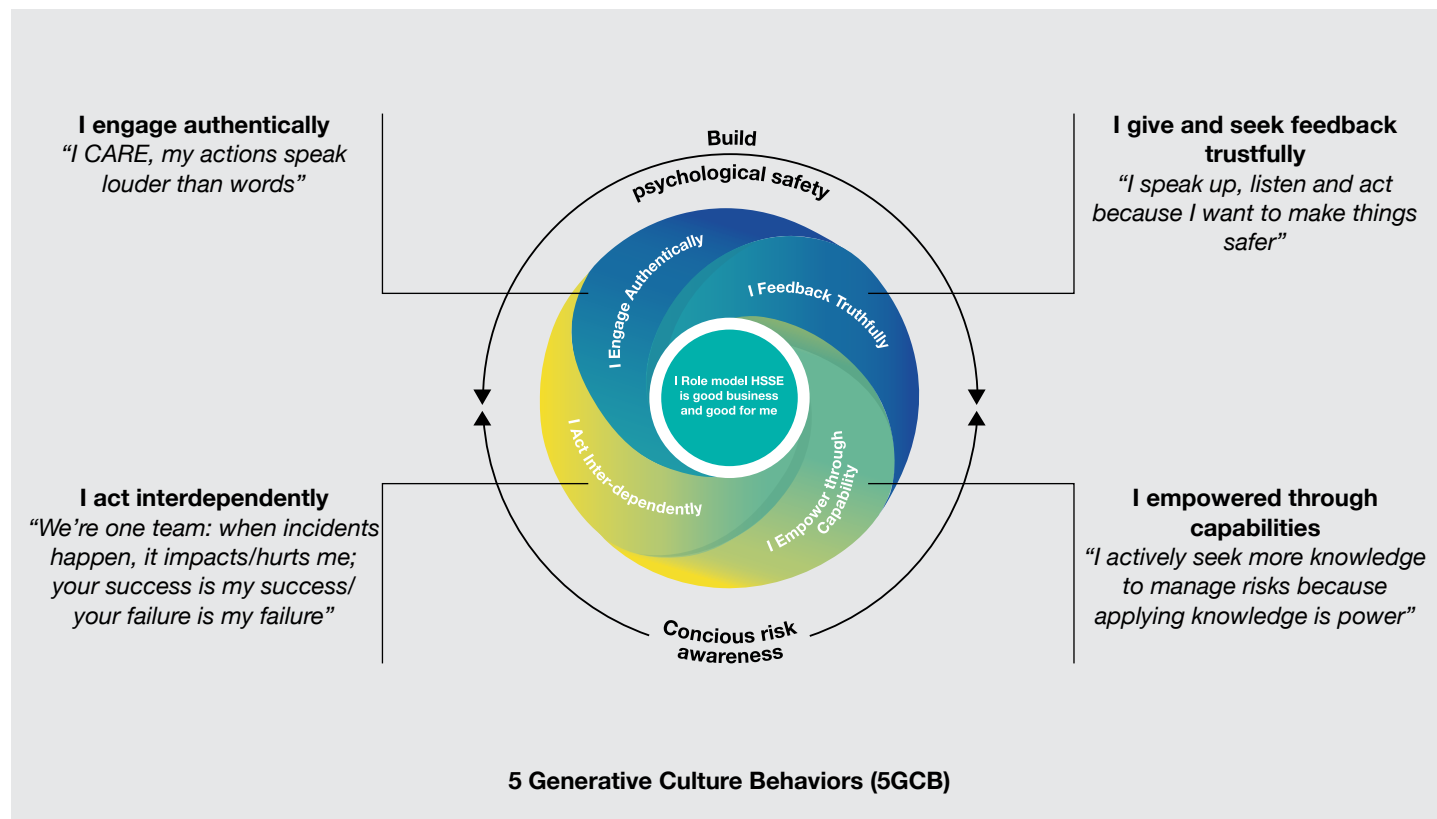
PETRA recognises the importance of culture in driving our safety and health performance. Our ultimate aim is to be in the Generative Culture space. Currently we are at the proactive culture stage based on the culture maturity survey done in 2021.

We have embarked on the implementation of a Generative Culture Behaviours (GCB) programme throughout our organization.

PETRA believes that the GCBs can be applied beyond HSE. Therefore more programs and activities related to GCBs will be planned in the future in order for us to achieve the Generative culture not only in HSE but all matters managed by PETRA.



SUSTAINABILITY REPORT






SAFETY & HEALTH COMMITTEE (SHC)

In managing Health and safety at respective locations, Each leaders of the location headed PETRA's Safety and Health Committee comprising employer and employee representatives. In general, the Committee meets on quarterly basis.. Projects convene the ir SHC on monthly basis or by following contractual requirements. All safety, health and environmental-related issues related to the respective site or project are discussed during these committee meetings.

PETRA's management conducted a quarterly management reviews with the respective location representatives and business leaders. These reviews ensure that Petra's HSSE performance meets legal, contractual and the Group's Health Safety & Environment Management System ("HSEMS") requirements.

OSH AWARDS & RECOGNITIONS in 2023

Type of Award/Achievement	Awarded By
Focused Recognition for PETRA Kota Kinabalu Project Office for a successful onshore fabrication (March 2023) and Sumandak Tuen- Around (TA) (August 2023)	
Safety Intervention Hero issued by SHELL for one of PETRA'S Crane Technician	
MSOSH Gold Merit Award - PETRA Fabrication Yard, Labuan	
MSOSH Gold Merit Award - PETRA Energy Development Sdn Bhd (Banang)	
MSOSH Gold Merit Award - PETRA Marine Sdn. Bhd. – All operation	
MSOSH Gold Class 1 Award - PETRA Piasau Operations	
MSOSH Gold Class 2 Award - PETRA Kota Kinabalu Project Office	



Petra continues to receive recognition in their performance related to OSH. There are marked improvement in locations that received higher category of the MSOSH award. This reflected our continuous effort in improving our OSH performance for all our locations.

SUSTAINABILITY REPORT

In the reporting period, we had one lost time injury incident in our operation. We have done a through investigation of the incident and identified the root causes of the incidents. We immediately implemented the measures proposed by the investigation team. The person affected by the incident was recovering for two days in the hospital before returning to work.

We had clocked about 1 million manhours more than the previous reporting period. This higher manhours had contributed in a positive number of ACT submissions by the workforce.

During the reporting period, we had a number of Covid-19 related cases but did not have any impact to our operation.

TRAINING & EDUCATION

We prioritise training and developing employees, focusing on cultivating a knowledgeable and skilled workforce that aligns with our distinctive culture and growth ambitions.

Our robust training and development system includes regularly reviewing and discussing the development needs of our employees. As part of the system, we also conduct annual performance review, talent mapping & succession planning. To meet the needs of employees, we deliver our management training programme via formal trainings delivered by our training partners as well as our internal training programmes.

There were 5 categories of training attended by our employees

- E-Learning – Process of acquiring knowledge or skills through digital platforms and technologies, accessing remotely via internet PETRA' s introduction of the e-learning platform, PETRA Academy in 2023 represents a learning culture and significant step towards digitalization and promoting a culture of continuous learning and development within the organization
- Management System – Structured framework based on ISO Standards or guidelines for organizing and optimizing organizational activities to achieve its goals efficiently
- Mandatory training for offshore going personnel – Ensure compliance and equips individuals with essential knowledge or skills for their roles in offshore projects or activities
- Soft skills – Developing personal attributes that enables individuals to interact effectively encompassing communication, teamwork, interpersonal skills including culture
- Technical skills – Specific technical training that enables individuals to be more efficient in executing their task.

The average hours of formal training attended by every employee in 2023 is 17 manhours which is much higher compare to the previous reporting period. The average training manhours does not include in-house awareness and informal coaching or training.

All staff under permanent employment and on contract (except for offshore going construction personnel) received a regular performance reviews and feedback where supervisor and employees discussed their current performance and potential career development path transparently.

MENTAL HEALTH AWARENESS

The mental health of workers in the oil and gas sector is one of the less publicised risks facing workers despite being crucial. Currently, the oil and gas industry's primary concern is on physical health. However, working in oil and gas fields can also affect a person's mental health. Workers often live in remote areas far away from their families and *face sleep problems and other health issues and difficulties*.

In 2023, we continued our mental health awareness programme through the PETRA Clubhouse initiative. PETRA Clubhouse provided a space for employees to get together virtually and unite over shared interests unrelated to work. It also hosts regular events and workshops on topics such as Super HSE Heroes Award Sharing Session, First Aid, ESG Awareness and Sharing by Group IT.

PETRA also holds Sembang Santai Sustainability as a pre-event programme of the Sustainability, Integrity & HSSE Day 2023. This event raises awareness not only about mental health and other essential topics such as sustainability, integrity and HSSE.

We promote employee wellness through healthy lifestyle initiatives, such as stair climbing within office environment, 5,000 steps challenge session, badminton and futsal. These initiatives encourage employees to stay active and healthy, both physically and mentally

DIVERSITY & EQUAL OPPORTUNITY

PETRA focuses on nurturing a workplace where all employees feel safe, respected and protected. The Group has made the following commitment:

- Does not tolerate any form of harassment against any employees
- Maintains a zero-tolerance stance on any form of workplace discrimination
- Will continue to take action to improve workforce diversity and equal opportunities or reduce discrimination based on race, gender, age, sexual orientation, religion, caste, marital status, nationality or disability

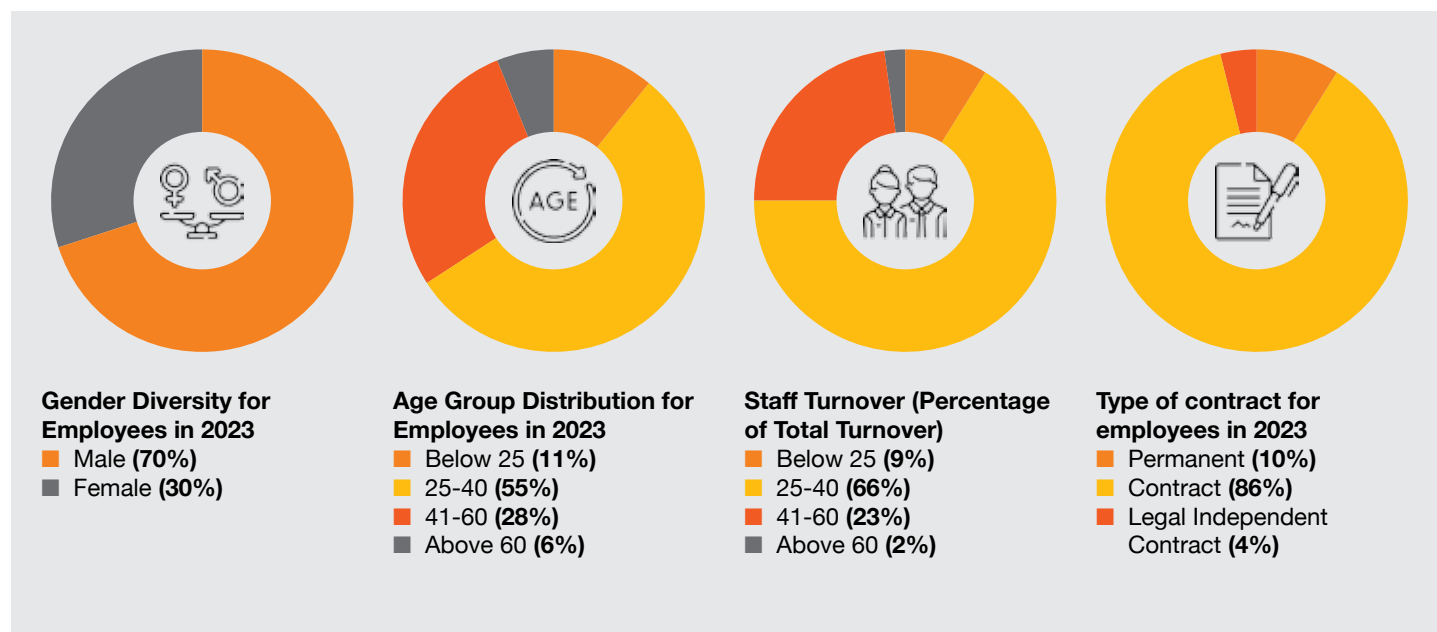
PETRA reflects these commitments in all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation and training.

Historically, the oil and gas industry has been male-dominated due to the nature of work, especially in labour-intensive offshore operations. PETRA does not discriminate against female candidates in its remuneration and promotions and will continue to invest in attracting, retaining and promoting women in its employment practices.

A diverse and highly talented team is central to our success. Embracing a sustainable energy future can only be achieved with an engaged and motivated team that will deliver on targets and translate our vision into meaningful action.

The Group Code of Conduct guides our labour standards, covering many aspects of employee conduct. The Code defines unethical business practices and stipulates what constitutes unethical corporate behaviour, sexual harassment, discrimination, human rights, workers' rights and more.

Please refer to pages 15-21 for our Board of Directors and Leadership gender diversity data.



PETRA's compensation and benefits programmes focus on attracting and retaining a highly skilled workforce. We validate the competitiveness of these programmes by reviewing them periodically through industry-specific surveys to identify and address compensation inequities, including pay parity based on gender, race and ethnicity.

PETRA does not condone any discrimination based on gender. There is no remuneration difference between men and women holding the same position.

SUSTAINABILITY REPORT

Annual Compensation Ratio

There was a marked improvement in the ratio which reflected the compensation package received by employees is improving.

HUMAN RIGHTS

Respect and dignity for everyone are cornerstones of business operations and our success. Basic human rights principles, the Malaysian Employment Act 1955 and other relevant Malaysian labour laws guide PETRA's human rights stand.

Our human rights ethos acknowledges a longstanding commitment to the dignity and rights of all people, including a commitment and process for identifying, eliminating or minimising any negative impact our activities may have on human rights in the communities where we do business.

The Group also subscribes to the International Labour Organisation ("ILO"), the Universal Declaration of Human Rights, and the UN Global Compact 10 Principles.

Our Human Rights Practices explicitly prohibit child labour, forced labour and workplace harassment in our operations. It also covers the rights of indigenous peoples and critical issues relating to security, community engagement and the supply chain.

PETRA's Human Rights Stand



Eliminating excessive working hours



Compliance with the minimum wage requirement



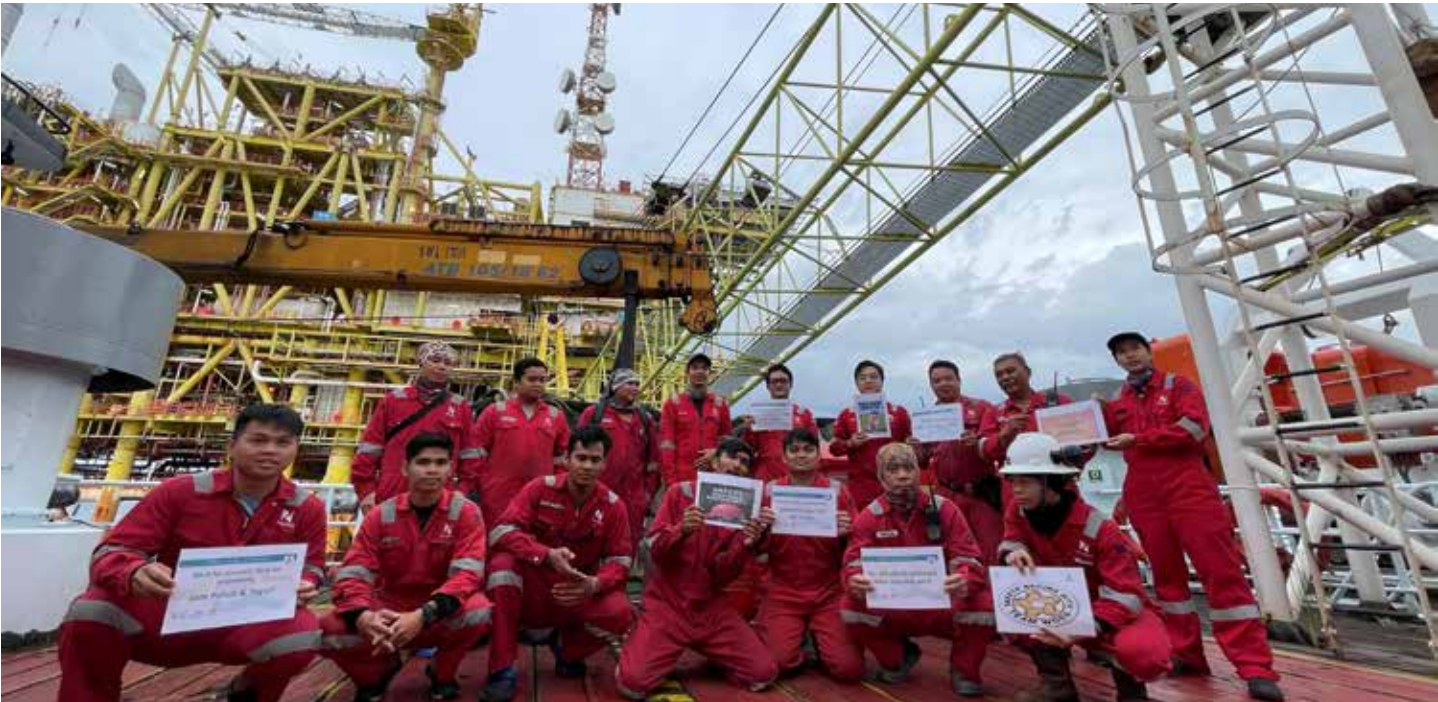
Fatigue Management Procedure



Preventing child and forced labour



Promoting equal opportunity, diversity and a non-discriminatory workplace



Environment



PETRA is certified ISO 14001:2015 Environmental Management System.

Our vision is to preserve the environment. We are committed to fostering solid environmental stewardship and achieving operational excellence.

PETRA continuously addresses potential environmental impacts, including GHG emissions, energy management, water consumption, waste management and ecological impacts/biodiversity due to our operations.

SUSTAINABILITY REPORT

GHG EMISSION

The basis of our GHG emission disclosure is based on the control approach of Operational. The calculation is based on the recommendation made in the current version of GHG Protocol. In this reporting cycle, we will disclose on Scope 1 and Scope 2 only. In order to make an effective comparison on year to year performance of GHG emission, we are introducing the parameter of GHG emission intensity in this reporting cycle. This parameter measures the GHG emission per Total Revenue for the reporting cycle.

	2023	2022
GHG Emission (tCO ₂ e)	31,466	32,324
GHG Intensity (GHG Emission / Total Revenue) /(newly reported parameter) – kgCO ₂ e/RM	0.057	0.087

Overall, the GHG emission for scope 1 is slightly lower due to lower utilization of diesel for our fabrication yard activities in Labuan and utilization of smaller generator set that powered our operation onboard MOPU, Petra Orion. For scope 2, the use of purchase electricity for our operation remains stable.

On the GHG intensity, we can see a major reduction which is mainly due higher uptime for our marine vessels and optimization in the utilization of our workforces that contributed to a much higher revenue.

We have not set our GHG emission target as we are projecting a much higher GHG emission in the following years as new upstream facility will be in operation

ENERGY MANAGEMENT

We manage our energy use by optimizing the use of our facilities equipment and installing a more energy efficient machineries.

	2023	2022
Energy used (MJoules)	461,009,868	455,560,363
Energy Intensity (Energy used / Total Revenue) – MJ/RM	0.83	1.2

Key contributors to the energy used during this reporting period were mainly by the use of smaller diesel genset onboard MOPU, Petra Orion.

On the Energy intensity, we can see a major reduction which is mainly due higher uptime for our marine vessels and optimization in the utilization of our workforces (without machinery) that contributed to a much higher revenue.

WATER CONSUMPTION

The communities and ecosystems where we operate depend on water to thrive. PETRA had used this resource to support our operation.

	2023	2022
Water consumption (m3)	90,062	90,200

Although we do not have activities in water-stressed areas, we will continue managing freshwater consumption and carefully monitoring our wastewater disposal that will not cause any harm to the local environment.

We have a rain harvesting facilities at some of our key onshore facilities that reduced the usage of treated water purchase from the local water authorities. We will continue looking for opportunity to reduce the use of water in our operation.

WASTE MANAGEMENT

PETRA is developing strategies to reduce waste and exploring opportunities to integrate a circular approach in operations and across the value chain. Waste management is an integral part of our operations

PETRA minimises, segregates and safely disposes of waste generated by its operations. Our waste mitigation hierarchy prioritises waste avoidance when feasible. When waste is unavoidable, we work to reduce, recover or reuse it whenever possible. We identify, characterise and track all waste from generation to final disposal to ensure minimal risk to our waste production and transportation.

	2023	2022
Schedule waste (tonnes)	133	73,315
Domestic waste (tonnes)	44	Not reported

In this reporting period, we disclose not only our schedule waste but also domestic waste that we generated. There was a marked decrease in schedule waste generated mainly due to minimal onshore fabrication activities at our fabrication's yards in Labuan as well as improvement in the process of managing waste for our blasting operation. This improvement however increased the quantity of domestic waste generated.

Petra had launched a campaign to minimize a single use plastic within our operation. During the reporting period, we have done awareness session internally on how to identify single use plastic, potential alternatives to be considered and individual roles in minimizing the use of single use plastic.

ECOLOGICAL IMPACT/BIODIVERSITY

PETRA is committed to conserving biodiversity and the habitats where we operates, considering biodiversity protection in decision-making and management from the earliest stages of development. As part of our risk management, we conduct environmental and social impact assessments on major projects comprising:

- Biodiversity and cultural heritage baselines
- Identifying species on the International Union for Conservation of Nature (IUCN) Red List
- Other threatened, endangered species lists

Currently, PETRA does not operate in areas with significantly high biodiversity value or protected habitat, flora and fauna. Our operations do not affect the habitat of any species listed in the IUCN Red List or national conservation list. All offices are within well-developed city or town areas; our facilities are in designated industrial areas.



SUSTAINABILITY REPORT

Sustainability Performance Data

Governance	Measurement Unit	2023	2022
Economics Performance			
Revenue generated	RM 'million	553.5	370.7
Economic value distributed	RM 'million	491.3	359.7
Dividend distributed	RM 'million	35.3	16.1
Economic value retained	RM 'million	62.2	11
Procurement Practices			
Percentage of spending on local suppliers	percentage	88	91
Anti-Corruption			
Training	percentage	Leadership and Management – 100 Staff – 87.6	Leadership and Management – 100 Staff – 80
Confirmed incidents of corruption	number	0	0
Operations assessed for risks related to corruption	percentage	100	100
Regulatory Compliance and Risk Management			
No of risk and potential issues identified	number	Risks were identified and addressed during our ongoing risk identification process.	Risks were identified and addressed during our ongoing risk identification process
Regulatory non-compliance	percentage	0	0
Data Privacy and Security (Materiality by Bursa)			
Number of substantiated complains concerning breaches of customer breaches of customer privacy and losses of customer data	number	0	Not reported
Social			
Corporate Social Responsibility			
Total Contributions to Non-Profit Organisations	RM	733,947	401,642
Total number of beneficiaries of the investment in communities	number	37	22
Occupational Safety and Health			
Fatalities (cases)	number	0	0
Fire/Explosion	number	0	0
Number of cases resulting in lost workdays	number	1	0
Number of cases resulting in medical treatment	number	2	0
Number of cases resulting in first aid treatment	number	0	0
Number of cases resulting in asset damage/lost	number	1	0
Number of cases resulting in near-miss reporting	number	15	0
Total work-related injuries	number	3	0

Social	Measurement Unit	2023	2022
Total man-hours worked	number	3,808,983	2,984,161
Total number of lost days	number	2	0
Rate of work-related injuries per total man-hours worked	number	0.8	0
Severity Rate (total number of lost days per total number of recordable incidents)	number	0.67	0
Total ACT received	number	20,376	12,000
Work-related ill health	number	16 (C-19 related)	112 (C-19 related)
Training & Education			
Total training time	hours	10,485	6,442
Average training hours per year per employee	number	17	12
Percentage of employees receiving regular performance and career development reviews	percentage	100	100
Diversity and Equal Opportunity			
Workforce strength			
Female	number	184	164
Male	number	434	382
Total Number of Employees	number	618	546
Age Group			
Below 25 years old	percent	11	6
25 - 40	percent	55	59
41- 60	percent	28	30
Above 60 years old	percent	6	6
Staff Turnover			
Below 25 years old	percent	9	2
25 - 40	percent	67	80
41- 60	percent	23	17
Above 60 years old	percent	2	2
Type of contract			
Permanent	number	66	70
Contracts	number	529	449
Legal Independent Contractor	number	23	27
Annual total compensation ratio			
Annual total compensation ratio	number	23	48

SUSTAINABILITY REPORT

Environment	Measurement Unit	2023	2022
GHG Emissions			
Scope 1	tCO ₂ e	31,121	32,000
Scope 2	tCO ₂ e	345	324
Total Energy Consumption			
Total Energy Consumption	MJ	461,009,868	455,560,363
Water Consumption			
Water Consumption	M3	90,062	90,200
Waste Management			
Scheduled Waste	MT	133	73,315
Significant spills	number	0	0



GRI CONTENT INDEX

Statement of use	Petra Energy Berhad has reported in accordance with the GRI Standards for the period of 1 Jan 2023 until 31 Dec 2023
GRI 1 used	GRI 1 : Foundation 2021

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission	
			Requirement (s) Omitted	Reason/ Explanation
GRI 2 : General Disclosures 2021	2-1 Organizational details	2-3		
	2-2 Entities included in the organization's sustainability report	48		
	2-3 Reporting period, frequency and contact point	48, 49		
	2-4 Restatements of information	49		
	2-5 External assurance	n/a	2.5	Assurance was provided by Petra Group Internal Auditor
	2-6 Activities, value chain and other business relationships	3		
	2-7 Employees	79		
	2-8 Workers who are not employees	79		
	2-9 Governance structure and composition	15		
	2-10 Nomination and selection of the highest governance body	15		

SUSTAINABILITY REPORT

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
	2-11 Chair of the highest governance body	15	
	2-12 Role of the highest governance body in overseeing the management impact	91	
	2-13 Delegation of responsibility for managing impact	89	
	2-14 Role of the highest governance body in sustainability reporting	53	
	2-15 Conflicts of interest	16-28	
	2-16b Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body	16-28	
	2-18 Evaluation of the performance of the highest governance body	98	
	2-19 Remuneration policies	98	
	2-20 Process to determine remuneration	98	
	2-21 Annual total compensation ratio	74	

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
	2-22 Statement on sustainability development strategy	50	
	2-23 Policy commitments	89	
	2-24 Embedding policy commitment	89	
	2-25 Processes to remediate negative impacts	62	
	2-26 Mechanisms for seeking advice and raising concerns	62	In addition to Whistleblowing channel, tere are also grievance mechanisms available for stakeholders to raise their concern
	2-27 Compliance with laws and regulations	89	
	2-28 Membership associations	52	
	2-29 Approach to stakeholder engagement	58	
	2-30 Collective bargaining agreement		2-30 No collective agreement applicable for Petra
GRI 3 Material Topics	3-1 Process to determine material topics	54	
	3-2 List of material topics	56	
	3-3 Management of material topics	56, 89	As part of internal control processes

SUSTAINABILITY REPORT

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	60	
	201-2 Financial implications and other risks and opportunities due to climate change	60	
	201-3 Defined benefit plan obligations and other retirement plans	60	
	201-4 Financial assistance received from government	60	
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	61	
GRI 205 Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	62,78	
	205-2 Communication and training about anti- corruption policies and procedures	62,78	
	205-3 Confirmed incidents of corruption and actions taken	78	

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	76, 80	
	305-2 Energy indirect (Scope 2) GHG emissions	76,80	
	305-3 Other indirect (scope 3) GHG emissions		No disclosure of scope 3 during this reporting period
	305-4 GHG emissions intensity	76	
	305-5 Reduction of GHG emissions	6	
	305-6 Emissions of ozone-depleting substances (ODS)		No disclosure made on ODS during this reporting period
	305-7 Nitrogen oxides (NOx), Sulfur oxides (Sox), and other significant air emissions		No specific disclosure made during this reporting period
GRI 302 Energy 2016	302-1 Energy consumption within the organization	76	
	302-2 Energy consumption outside of the organization		No disclosure made during this reporting period
	302-3 Energy intensity	76	
	302-4 Reduction of energy consumption	76	
	302-5 Reductions in energy requirements of products and services		No disclosure made during this reporting period

SUSTAINABILITY REPORT

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource		As part of aspect/impact assessment
	303-2 Management of water discharge-related impacts		All water discharge impact has gone thru the aspect/impact assessment
	303-3 Water withdrawal		No water withdrawal done
	303-4 Water discharge		All onshore office facilities discharge was thru the approved discharge means recognize by local authorities All offshore /onshore facility or marine vessel water discharge was thru the required discharge facilities as approved by the respective regulators.
	303-5 Water consumption	80	
GRI 306 : Waste	306-1 Water discharge by quality and destinations	77	
	306-2 : Waste by type and disposal method	77, 80	Disposal method - Schedule waste – DOE approved disposal facilities - Domestic waste – Local authority waste disposal site
	306-3 Significant spills	80	
	306-4 Transport of hazardous waste		Schedule waste -only by the approved transporter Domestic waste – by the local authorities waste collection method
	306-5 Water bodies affected	80	

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	77	
	304-2 Significant impacts of activities, products and services on biodiversity	77	
	304-3 Habitats protected or restored	77	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	77	
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	68	
	403-2 Hazard identification, risk assessment, and incident investigation	68	
	403-3 Occupational health services	68	
	403-4 Worker participation, consultation, and communication on occupational health and safety	68	

SUSTAINABILITY REPORT

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
	403-5 Worker training on occupational health and safety	68	
	403-6 Promotion of worker health	68	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		OSH Risk assessment is a must for any business relationships
	403-8 Workers covered by an occupational health and safety management system	68	All workers (staff and contractors) are covered by the HSEMS whilst working within company's facilities.
	403-9 Work- related injuries	72, 78	
	403-10 Work-related ill health	72,78	
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	79	
	404-2 Programs for upgrading employee skills and transition assistance programs	72	
	404-3 Percentage of employees receiving regular performance and career development reviews	72	

GRI Standards / Other Source	Disclosure	Page no in the annual report 2023	Omission
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	16, 79	
	405-2 Ratio of basic salary and remuneration of women to men		No difference of salary and remuneration between men and women

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee (“AC”) comprises four (4) members who are Non-Executive Directors (“NEDs”) and majority of whom are Independent which is in line with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MainLR”):-

Name	Designation	Directorship
Ng Ing Peng	Chairperson	Independent Non-Executive Director
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	Member	Independent Non-Executive Director
Gian Carlo Maccagno	Member	Non-Independent Non-Executive Director
Zuhaida binti Zulkifli	Member	Independent Non-Executive Director

None of the AC members was previously a partner in the incumbent external auditors, PricewaterhouseCoopers PLT in the previous three (3) years, nor does any of the AC members hold any financial interest in PricewaterhouseCoopers PLT.

ATTENDANCE OF AC MEMBERS AT MEETINGS

The AC held a total of five (5) meetings during the financial year ended 31 December 2023. The details of the attendance of the respective members are as follows:-

Name	No. of meetings attended ^
Ng Ing Peng (Chairperson)	5/5
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	5/5
Gian Carlo Maccagno	5/5
Zuhaida binti Zulkifli (appointed on 1 September 2023)	1/1

^ The meetings were held on 22 February 2023, 12 April 2023, 22 May 2023, 23 August 2023 and 24 November 2023.

SUMMARY OF WORKS OF THE AC

During the financial year ended 31 December 2023, the AC has carried out the following work activities in the discharge of its duties, functions and responsibilities:-

a) Financial Matters & External Audit

- Discussed the budget of the Group for year 2023, and recommended the same to the Board for approval
- Reviewed the Unaudited Quarterly Reports on the consolidated results of the Group for the financial quarters ended 31 December 2022, 31 March 2023, 30 June 2023, 30 September 2023, and recommended the same to the Board for approval
- Discussed the updates on the financial performance of the Group
- Reviewed the Audited Financial Statements of the Group for the financial year ended 31 December 2022 to ensure that the financial statements and disclosures presented a true and fair view of the Group’s financial position and performance for the said year and are in compliance with the provisions of the Companies Act 2016 as well as the applicable Malaysian Financial Reporting Standards, and recommended the same to the Board for approval
- Reviewed the audit findings including internal control concerns highlighted by the external auditors in relation to the financial statements of the Group for the financial year ended 31 December 2023
- Met with the external auditors without the presence of the Management twice on 22 February 2023 and 24 November 2023
- Reviewed the suitability, effectiveness and independence of the external auditors, and recommended their re-appointment to the Board to recommend the same to the shareholders for approval

b) Internal Audit

- Reviewed issues highlighted in the internal audit reports including its recommendations
 - Review status of corrective actions agreed to be implemented by Management
 - Reviewed and discussed the Group internal audit progress report on quarterly basis
 - Reviewed and approved the Annual Internal Audit Plan for year 2024
 - Assessed the adequacy of the scope, functions, competency and resources of the internal audit function
- c) Reviewed the Recurrent Related Party Transactions of a Revenue or Trading Nature (“**RRPTs**”) on quarterly basis to ensure that they are within the mandate approved by the shareholders at the Seventeenth Annual General Meeting of the Company held on 25 May 2023;
- d) Reviewed the Circular to Shareholders on the Renewal of Shareholders’ Mandate for the existing RRPTs and Proposed Renewal of Authority to Buy-Back its own Shares by the Company dated 26 April 2023, and recommended the same to the Board for approval;
- e) Reviewed the performance evaluation for AC, internal audit function and external auditors to streamline with the provisions of the MainLR and Malaysian Code on Corporate Governance;
- f) Reviewed the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022, and recommended the same to the Board for approval;
- g) Reviewed and confirmed the minutes of the AC meetings; and
- h) Reported to the Board on the proceedings of each AC meeting through the chairperson of the AC.

STATEMENT ON INTERNAL AUDIT FUNCTION

Group Internal Audit Department (“**GIA**”) is an in-house function that carries out its activities in accordance with the Internal Audit Charter which defines the scope, authority, roles and responsibilities of internal audit function. It is an independent function that reports directly to the AC and administratively to the Group Chief Executive Officer.

GIA is headed by Mr. Noor Ahmad bin Mohamad Basir (“**Mr. Ahmad**”) who was appointed as the Acting Head of GIA in year 2023. Mr Ahmad has more than 19 years of extensive experience in internal audit across diverse industries which demonstrates a strong foundation in auditing practices. Mr Ahmad with the certified under Chartered Accountant of the Malaysian Institute of Accountants and Associate Member of Institute of Internal Auditors Malaysia. Mr Ahmad is equip to lead GIA, ensuring that auditing processes are conducted efficiently and in accordance with the industry standards and regulations.

Mr Ahmad has regular and direct communication with AC and unrestricted access to the Executive Directors and Group Chief Financial Officer. One (1) manager and one (1) executive who have bachelor degree report directly to the Acting Head of GIA. All members of GIA have signed a written confirmation that they comply with the code of conduct and ethics of the Group and are free from any form of conflicts of interest which could impair their objectivity.

Based on the internal audit plan approved by the AC, GIA performs independent assessment on the adequacy and effectiveness of the Group’s system of internal control. GIA is guided by the International Professional Practice Framework (IPPF) in their works and the approach is risk based. For the financial year ended 31 December 2023, the scope of review and audit included recurrent related party transactions, tender management, disposal exercise at yards, sub-contractor/service provider management, user identification management, quality assurance quality control and yard, workshop and warehouse management. Outcome of review and audit are reported to the AC and Management for theirs deliberation where the reports included recommendations and mitigation action plans established by the Management to mitigate the issues of concerns.

In addition, GIA carried out the following:

- Advisory role in the committee on anti-bribery management system
- Participated in key management meetings to keep abreast of the evolvement of the risks pertaining to the business environment

The total cost incurred by GIA for the financial year ended 31 December 2023 was approximately RM893,396.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made in accordance with the Paragraph 15.26(b) of the Main Market Listing Requirement, in line with Practice 10.2 of the Malaysian Code of Corporate Governance 2021 and is guided by Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers.

THE BOARD'S RESPONSIBILITY

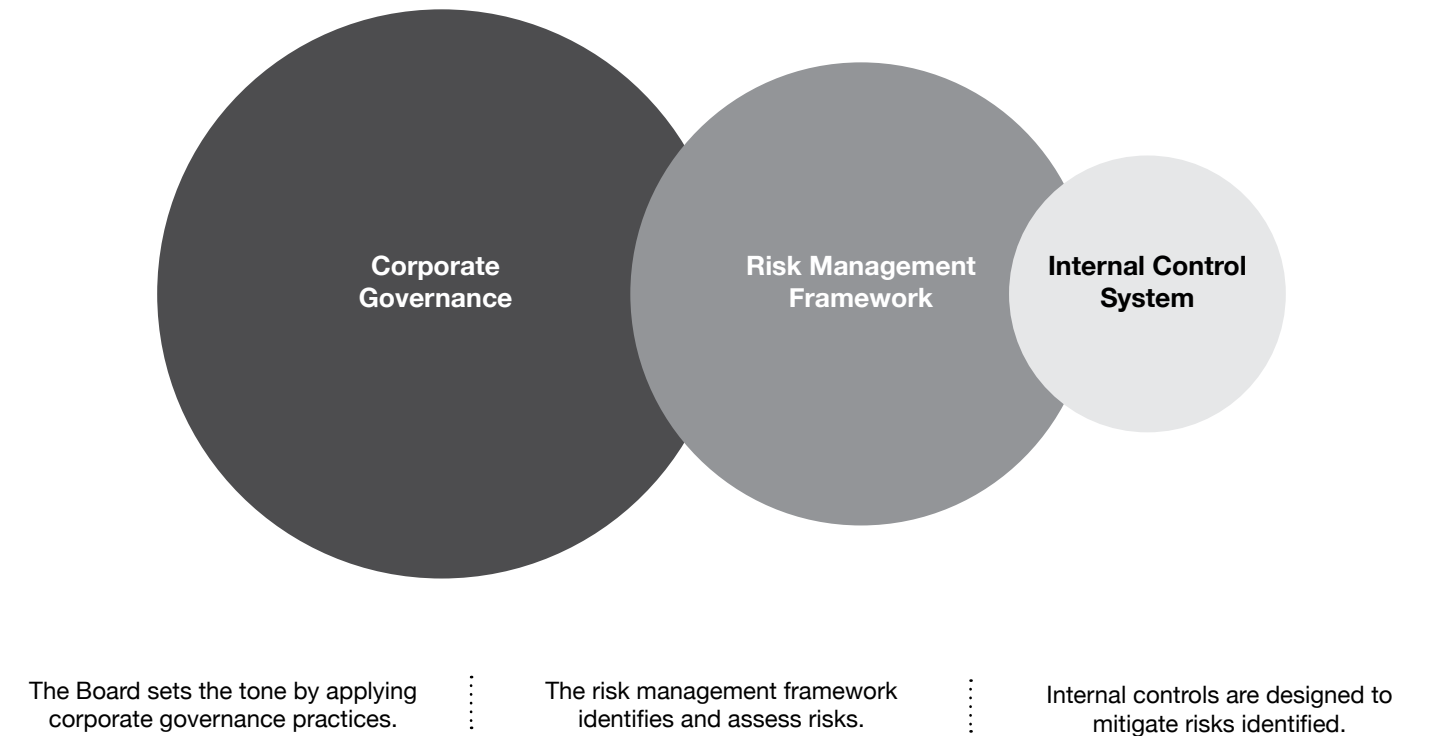
The Board of Directors (“**The Board**”) is committed to maintaining sound, effective and efficient internal control and risk management that provide reasonable assurance to safeguard Petra Energy Berhad’s (“**PEB**” or “**the Group**”) assets and shareholders’ interests. This includes ensuring operational effectiveness and efficiency, financial reporting reliability and compliance with applicable laws and regulations.

The Board recognizes the limitations inherent in any risk management framework and internal control system, hence seeks to mitigate rather than eliminate risk of failure to achieve business objectives. In the pursuit of the Group’s strategies and business objectives, the risk management framework and internal control system established manage the material risks within the Group’s risk appetite. Accordingly, the systems provide reasonable and not absolute assurance against material error, misstatement or loss.

The Board confirms that the risk management framework and internal control system have been in place during the financial year and up to the date of approval of this statement.

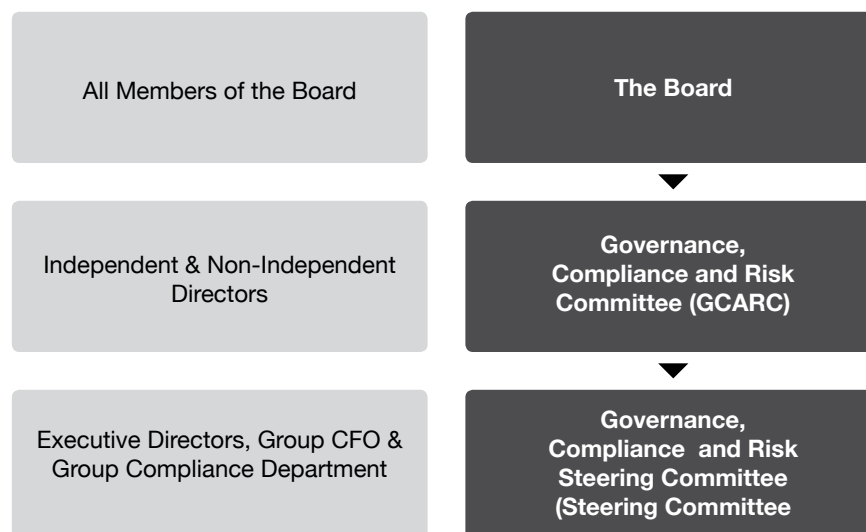
RISK MANAGEMENT FRAMEWORK

As illustrated by the diagram below the corporate governance framework of the Group is the starting point for risk management framework and internal control system.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The PEB Group Risk Register is diligently deliberated during the quarterly Board meetings. The Board is supported by the Governance, Compliance and Risk Committee (“**GCARC**”) that comprises both independent and non-independent directors. To assist the GCARC, Management has established a committee at Group level which is Governance, Compliance and Risk Steering Committee (“**Steering Committee**”). The Steering Committee comprise of the Executive Directors, Group CFO and assisted by the Group Compliance Department (“**GC**”). The Steering Committee present and update on the Group Risk Register to the GCARC on quarterly basis.



GC facilitates risk management sessions to identify and assess risks together with its mitigation plans at business unit level and key projects.

When deemed necessary, such as tendering for projects or potential business venture that are material, workshop is held to identify and assess potential risks, impact and its mitigation plans. Relevant functional departments such as human capital, legal, compliance, Information technology and health, safety and environment are involved in the risk management process.

The risks identified and assessed are being managed by the respective management personnel, business units and functional departments. GC conducts itself in reference with ISO 31001 Risk Management guidelines and the risk management framework limiting its roles to facilitation, making no risk management related decision.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Key Risks

The Board recognizes the need to effectively manage risk in order to ensure the long-term growth and enhancement of shareholders' value. Board has been diligently deliberating on the key risks on a timely basis and closely monitoring implementation of mitigation actions. The Board identified **SK433 Petroleum Contract (A)** and **Funding for SK433 Development Phase (B)** as the Group's key risks as illustrated below.

Focus Area A1:

Subsurface and wells i.e., insufficient proved and uncertainty in volumes, downside in performance and safety process.

Mitigation:

Drill appraisal well and phasing development with more studies and testing conducted. Competent personnel and proper plan and procedures are put in place.

Focus Area A2:

Project management and operations i.e., project delay and major process safety and transportation incidents.

Mitigation:

Robust and early stakeholders' engagement including with client, authorities, plantation owners, communities and consultant. PEB should uphold strictest HSE policies with competency screening, proper training, emergency response plan, consequence management, adequate HSE assurance.

Focus Area A3:

Economics i.e., commercial terms and CAPEX.

Mitigation:

Develop a clear and transparent project value improvement. PEB is also exploring few opportunities, including CAPEX reduction and early production.

Focus Area A4:

Environment, Social and Governance (ESG) i.e. reinjection of gas may not be possible and community concern on the Climate Change concerns, safety risks or excessive noise during gas flaring or Seismic acquisition.

Mitigation:

Carry out study to confirm injectivity and explore an option of utilizing Carbon Credits to offset the carbon emission from extended flaring. PEB also actively developing comprehensive and pro-active Stakeholder Engagement Plan in response to address Climate Change concerns notably on safety and noise

Focus Area B1 :

Funding for SK433 during development phase. Banks or financial institution reluctant to lend due to low appetite on upstream business activities and/or concerns pertaining to ESG during development phase.

Mitigation:

Explore alternative funding sources with a credible ESG narrative and planned phase development to match financial capacity. PEB seeks external funding options from either financial institutions and/or development financial institution to secure facility lines relevant to part-finance the capital requirement during this phase.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

Organisational Structure

The Group has a well-defined organisational structure that is aligned with business and operational requirements. Each business unit or operating function is headed by a responsible person with clear lines of reporting to ensure responsibilities and accountabilities throughout the Group.

Code of Ethics

Code of Conduct and Ethics (“**The Code**”) governs directors and employees ethical conduct, outlines the expected ethical values and behaviours such as integrity, good attendance, punctuality and appearance, and prohibits instances on alcohol and drug abuse as well as sexual harassment. The Code also covers issues pertaining to directors and employees’ commitment, confidentiality, insubordination, making public statements and conflicts of interest.

Policies and Procedures

The Group has a formalized set of policies and procedures to ensure the internal controls and compliance with relevant laws and regulation. For key businesses and processes, these policies and procedures are certified by ISO9001:2015 Quality Management System.

Enterprise Resource Planning (ERP) System

The Group has embarked on the journey of computerizing business processes. In particular, SAP HANA has been implemented to minimize errors and mitigate the risk of potential circumvention of the required procedures such as on accounting and procurement. The Group has an SAP HANA Steering Committee that oversaw the implementation and performance of the ERP System.

Group Limits of Authority (LOA)

The LOA approved by The Board defines the level of authority in making operational and commercial business decisions for the Board and various levels of management. Where appropriate and possible, these authority limits are embedded into the computerized system including the ERP System.

The Business Plan and Budget

Goals and targets are set during the annual business planning and budgeting process where The Board reviewed and approved. Both The Board and Management monitor the financial performance via periodic reports and financial forecast. Also closely monitored periodically by the Management is the respective projects’ actual against project budgets to ensure that they are on track to achieve the desired profitability.

Projects Performance Management

In addition to a group of competent project management teams, Cost Control Department and Contract Administration Department played key roles in monitoring and supporting project performance. Also, Top Management oversees the project performance through Project Excellence Council meetings that review and address key issues affecting the projects.

Human Capital Management

The Group has a systematic process to administer personnel productivity, performance, growth and succession planning. Formal and periodic appraisals are conducted against Key Performance Indicator (“**KPI**”) that had been aligned with the Group’s strategic direction. In addition, under the Talent Management Framework, the Group has a Succession Plan for key positions which had been approved by the Board.

Physical Safeguards and Insurance

Physical safeguard is the basic control that had been put in place to protect the Group’s assets. The Group undertakes adequate insurance coverage which are reviewed from time to time to ensure that the assets are sufficiently covered against mishaps or unwanted events.

Health, Safety and Environment

In line with the Group’s emphasis on health, safety and environment, robust policies and procedures had been established to ensure that these items remain a priority of the business operations and in accordance to the requirement of ISO 14001:2015 Environment Management System and ISO 45001:2018 Occupational Health and Safety Management System. This includes continuous training and awareness programs throughout the year and every project’s lifecycle. The Group is focus towards achieving Generative Culture, which is the highest level within the Health, Safety & Environment (“**HSE**”) Culture Ladder. The Group commits to nurture Generative Culture by actively fostering and improving on the generative culture behaviours. These behaviours are essential for creating an environment where HSE concerns are not just managed but continually enhanced.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Anti-Bribery and Anti-Corruption

The Group has zero tolerance against any form of bribery and corruption. The Group has established, implemented and maintained the Anti-Bribery Management System manual and related policies and procedures in accordance to the requirement of ISO 37001:2016 Anti-Bribery Management System standard to achieve the highest level of integrity among its directors and employees. Compliance Department has been tasked to ensure adherence to external regulatory requirements and internal controls of the required management system. Additionally, all directors, employees and business associates have signed Integrity Pledge and Conflict of Interest Declaration.

Whistleblowing Policy

The Group has put in place a Whistleblowing Policy that provides clarity on the responsibilities of whistle blowing and reporting processes, protection and confidentiality of whistle blowers. The policy is published in the Group's website and all subsidiaries under the Group's are adhered to it. The policy provides a reporting channel for employees and any person external to the Company to report instances of unethical behaviour, actual or suspected fraud or dishonesty, bribery or corrupt practices, or a violation of the Company's Code of Conduct and Ethics. The Group will not tolerate any irresponsible, corrupt or unethical behaviour that would jeopardize its good standing and reputation.

Information and Communication

Communication and information flow through reporting lines across the Group. The Board receives timely inputs from the Group Chief Executive Officer ("**Group CEO**"), Group CFO and is supported by Board Committees, external and internal auditors. The Board practices being inquisitive over the Group's state of affairs and when deemed necessary, the Board requests for additional information for further review and clarification.

Internal Audit

The Group Internal Audit (GIA) acts as an independent appraisal function to assess the adequacy and effectiveness of internal controls. GIA reports directly to the Board's Audit Committee and administratively to the Group CEO. Details of internal audit function can be found in the statement on Internal Audit Function in the Audit Committee Report.

External Audit Function

The External Auditor's annual audit strategy, audit plan and scope of work for the financial year in relation to the audit services on the Group's financial statements as well as non-audit services, if any, are reviewed and approved by the Board Audit Committee.

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditor have reviewed this Statement on Risk Management and Internal Control based on the limited assurance engagement in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants.

In addition, the Group and certain subsidiaries, which are accredited with various quality, health, safety and environment and other certifications, undergo scheduled on-site audits by auditors of the relevant industry certification bodies. The results of these audits are reported to the Management.

Board Committees

The Board, through its Audit Committee and Governance, Compliance and Risk Committee reviewed the internal control and risk management system during their periodic meetings based on the reports received from Management and with the support of internal and external auditors. The Board deliberates thoroughly on issues of concerns while members of Management have been earnest in addressing any gap to strengthen and optimize the system.

Associated Company

There is no associated company with material transactions during the financial year.

CONCLUSION

The Board has received an assurance from the Group CEO and Group CFO of PEB that the risk management framework and internal control system are operating adequately and effective, in all material aspects.

The Board is of the opinion that the Group's Risk Management Framework and Internal Control System are adequate and functioning effectively to manage all identified risks to an acceptable level that is in line with its long-term goals and objective. The Board will continue to monitor and ensure that the risk management framework and internal control system continue to function effectively in the changing and challenging business environment.

This statement was approved by The Board on 8 April 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Petra Energy Berhad (the “**Company**” or “**PEB**”) (the “**Board**”) recognises the importance of practising high standards and excellence in corporate governance in the best interest of PEB and for all its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiaries (the “**Group**”). The Board understands that this is not just through achieving the desired financial performance but also through being ethical and sustainable.

The Board of PEB is pleased to present this Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”) to provide shareholders and investors an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the new Malaysian Code on Corporate Governance (“**MCCG**”) with reference to the following three (3) key principles, under the stewardship of the Board:-

Principle A	Board Leadership and Effectiveness	<ul style="list-style-type: none"> • Board responsibilities • Board composition • Remuneration
Principle B	Effective Audit and Risk Management	<ul style="list-style-type: none"> • Audit committee • Risk management and internal control
Principle C	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	<ul style="list-style-type: none"> • Engagement with stakeholders • Conduct of general meetings

This Statement also serves as a compliance with Paragraph 15.25(1) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**MainLR**”) and should be read together with the CG Report of the Company for the financial year ended 31 December 2023 (“**FYE 2023**”) published on the Company’s website at www.petraenergy.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

- 1.1 The Board is focused on the Group’s overall governance in order to meet its Company’s strategic aims. The Board relies on the reports provided by the Group Chief Executive Officer (“**GCEO**”) who oversees the entire business and operations of the Group.

At each Board and Board Committee Meeting, and as and when the need arises, the GCEO together with the Executive Directors (where necessary) briefed the Directors on the current operations, plans and issues encountered by the Group to keep the Board abreast on the Company’s current state of affairs. This would help in formulation of the Company’s overall strategies, both short-term and long-term.

As part of the Group efforts to ensure the effective discharge of its duties, the Board has delegated specific duties and responsibilities to four (4) other Board Committees namely: -

- i) Audit Committee (“**AC**”)
- ii) Nomination and Remuneration Committee (“**NRC**”)
- iii) Governance Compliance and Risk Committee (“**GCARC**”)

Each committee is to assist the Board in overseeing the Company’s affairs and in deliberation of issues within their respective functions and Terms of Reference. The Chairperson of each Committee will report to the Board on the deliberations and outcome of the Committee’s meetings, which includes the key issues deliberated at the Committee’s meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company during the financial year ended 31 December 2023 (“**FYE 2023**”), the Board had, amongst others:-

- (a) reviewed, challenged and decided on Management’s proposals and monitored the implementation by Management;
- (b) promoted good governance culture within the Company;
- (c) ensured that the strategic plan of the Company supports long term value creation and sustainability;
- (d) supervised and assessed Management performance;
- (e) ensured there is a sound framework for internal controls and risk management;
- (f) understood the principal risks surrounding the Group’s business and set the risk appetite to ensure the risks are properly managed;
- (g) ensured the integrity of the Company’s financial and non-financial reporting; and
- (h) ensured that the Company has in place procedures to enable effective communication with stakeholders.

1.2 The Chairman of the Board has:-

- (a) led Board meetings and discussions in a manner that encouraged constructive discussions and effective contribution from each Director;
- (b) provided leadership to the Board without limiting the principle of collective responsibility for the Board decisions;
- (c) reviewed the minutes of the Board meetings to ensure that the minutes accurately reflect the Board’s deliberations, and matters arising from the minutes have been addressed;
- (d) led the Board in establishing and monitoring good corporate governance practices in the Company;
- (e) ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- (f) performed other responsibilities assigned by the Board from time to time.

1.3 The positions of the Chairman of the Board and GCEO have always been held by two (2) different individuals and each has a clear accepted division of responsibilities between two (2) roles to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

1.4 The Chairman of the Board is a member of the NRC and AC and the Board is of the opinion that the experience and qualification of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie is imperative for the NRC and AC in forming opinions and deciding on recommendations to be submitted to the Board. To attenuate the potential situation of self-review, conclusion and recommendations made by the AC are largely decided by the other three (3) members of the AC. In addition, during the FYE 2023, all the five (5) AC meetings were attended by the three (3) AC members while Puan Zuhaida binti Zukifli attended one (1) AC meeting since her appointment on 1 September 2023.

1.5 The Company is supported by two (2) suitably qualified and competent Company Secretaries.

The Company Secretaries are the external Company Secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

During the FYE 2023, the Company Secretaries had discharged their duties and responsibilities accordingly, and had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, CG, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions, duties and responsibilities.

- 1.6 The Notice of the Board Meeting is served to the Directors at least seven (7) days prior to the Board Meeting unless there is an exceptional case.

During the FYE 2023, all meeting materials are circulated the Directors at least three (3) days in electronic form prior to the Board Meeting, to allow ample time for Directors to consider the relevant information.

The Management takes cognizance of the importance of providing complete and adequate information to the Directors on a timely basis to enable them to make informed decisions to discharge their duties and responsibilities. They will continue to strive in ensuring that the complete meeting materials are circulated at least five (5) business days in advance of the meetings.

Intended Outcome 2.0

There is demarcation of responsibilities between the Board, Board Committees and Management.

There is clarity in the authority of the Board, its Committees and individual Directors.

- 2.1 The Board has published the latest Board Charter on the Company's website at www.petraenergy.com.my, which was reviewed, updated and approved by the Board on 24 November 2023. The respective roles and responsibilities of the Board, Board Committees, Executive Directors/CGEO, Independent Directors and management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.

The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee chairpersons, which are presented to the Board during Board meetings at the appropriate regular intervals.

Activities of the NRC

During the FYE 2023, the NRC held two (2) meetings to undertake the following activities in the discharge of its duties and responsibilities:-

- (i) reviewed and confirmed the Minutes of the NRC meetings held;
- (ii) examined the composition of the Board;
- (iii) reviewed the required mix of skills, experience and other qualities of the Board;
- (iv) reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a Director through a comprehensive assessment system;
- (v) conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees;
- (vi) reviewed the term of office of the AC and assessed its effectiveness as a whole;
- (vii) reviewed the independence of the Independent Directors and assessed their ability to bring independent and objective judgement to Board deliberations; and
- (viii) recommended the re-election of the directors who are to retire by rotation at the Seventeenth Annual General Meeting ("AGM").

During the FYE 2023, the Board had convened a total of six (6) Board of Directors' Meetings for the purposes of deliberating on the Company's quarterly financial results and discussing other strategic and important matters. During the Board of Directors' Meetings, the Board reviewed the operations and performance of the Group and other strategic issues that may affect the Group's business. Relevant senior management members were invited to attend some of the Board of Directors' Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

The NC has reviewed the attendance of the Directors at Board and/or Board Committee Meetings, and noted the Directors, to the best of their ability, have devoted sufficient time and effort to attend the Board and/or Board Committee meetings held in the FYE 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance of Directors who are members of Board committees during the FYE 2023 is set out below:-

Directors	Directorship	Board	AC	GCARC	NRC
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	Independent Non-Executive Director (“ INED ”)	6/6	5/5	1/1	2/2
Ng Ing Peng	INED	6/6	5/5	4/4	2/2
Gian Carlo Maccagno	Non-Independent Non-Executive Director (“ NINED ”)	6/6	5/5	4/4	2/2
Zuhaida binti Zukifli (appointed on 1 September 2023)	INED	2/2	1/1	1/1	- (no meetings were held after 1 September 2023)
Dato’ Anthony @ Firdauz bin Bujang	Executive Director (“ ED ”)/ Group Chief Executive Director	6/6	Not member	Not member	Not member
Dato Ahmadi bin Yusoff	ED	6/6	Not member	Not member	Not member
Simon Ong	ED	6/6	Not member	Not member	Not member

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

The Board has cultivated the following best practices:-

- All newly appointed Directors are to attend the Mandatory Accreditation Programme as prescribed by the MainLR within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment; and
- The Directors are briefed by the Company Secretaries on updates by Bursa Securities periodically.

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2023, the Board members had participated in the following trainings and/or courses:-

Name of Directors	Date	Description of Training Programmes
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	1. 3 March 2023	1. Understanding Environmental Sustainability, Social and Government (ESG)
	2. 12 December 2023	2. Bursa Malaysia's Advocacy Sessions for Directors & CEO of the Main Market Listed Issuers
Ng Ing Peng	1. 21 June 2023	1. Task Force Climate-Related Financial Disclosures (TFCD) Awareness Session
	2. 19 & 20 September 2023	2. Mandatory Accreditation Programme Part II: Leading for Impact (LP)
	3. 21 November 2023	3. What Amounts to a Conflict of Interest by Directors
	4. 28 November 2023	4. Climate Risk
Gian Carlo Maccagno	1. 17 January 2023	1. UBS Year Ahead 2023 – A year of Inflections
	2. 23 January 2024	2. UBS Year Ahead 2024
Zuhaida binti Zulkifli	1. 6 & 7 June 2023	1. Islamic Finance for BOD (IF4BOD)
	2. 13 & 14 June 2023	2. MIA Conference
	3. 26 to 28 June 2023	3. Energy Asia 2023
	4. 2-5 October 2023 & 16-19 October 2023	4. Financial Institutions Directors' Education
	5. 22 & 23 November 2023	5. Mandatory Accreditation Programme
Dato' Anthony Firdauz bin Bujang	1. 13 January 2023	1. Integrity Panel Discussion with MACC
	2. 14 February 2023	2. Mental Health Leads to Mental Strength
	3. 5 April 2023	3. ISO27001:2022 Top Management Briefing
	4. 13 June 2023	4. International Energy Week 2023
	5. 27 & 28 June 2023	5. Sabah Oil & Gas Conference 2023
	6. 4 & 5 Oct 2023	6. Generative Culture Workshop
Dato Ahmadi bin Yusoff	1. 13 January 2023	1. Integrity Panel Discussion with MACC
	2. 14 February 2023	2. Mental Health Leads to Mental Strength
	3. 5 April 2023	3. ISO27001:2022 Top Management Briefing
	4. 6 June 2023	4. PD&T (PETRONAS) Generative HSE Culture Programme
	5. 13 June 2023	5. International Energy Week 2023
	6. 26 July 2023	6. Generative HSE Culture – Coaching session
	7. 4 & 5 October 2023	7. Generative Culture Workshop
Simon Ong	1. 13 January 2023	1. Integrity Panel Discussion with MACC
	2. 14 February 2023	2. Mental Health Leads to Mental Strength
	3. 5 April 2023	3. ISO27001:2022 Top Management Briefing
	4. 6 & 7 June 2023	4. Asia Pacific Energy Capital Assembly, Singapore
	5. 5 December 2023	5. Generative Culture Workshop, Miri
	6. 10 to 13 July 2023	6. LNG2023, Vancouver, Canada
	7. 16 June 2023	7. Energy Asia, Kuala Lumpur

The Board, with the assistance of the Nomination and Remuneration Committee would determine a continuous education programme for Board members to upgrade their skills in enhancing their effective contribution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Intended Outcome 3.0

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

- 3.1 The Company had established its own Code of Conduct and Ethics and adopted the Code of Ethics issued by the Companies Commission of Malaysia that are applicable to all Directors of the Group. Both Codes provide guidance for proper standards of conduct with sound and prudent practices as well as standards of ethical and behaviour for director, in line with the Company's core values which emphasize on behavioural ethics when dealing with third parties and employees. Directors are expected to conduct themselves with the highest ethical standards and corporate governance.

The Company had also adopted the Code of Conduct, which governs the professional conduct of its employees and outlines their responsibilities to the Group in performing their duties.

- 3.2 The Board has in place the Whistleblowing Policy to facilitate whistleblowing or disclosure through established channels about instances of unethical behaviors, actual or suspected fraud, dishonesty, violations or wrongdoings without fear of retaliation should they act in good faith when reporting such concerns.

The Whistleblower Policy is available on the Company's website at www.petraenergy.com.my and would be reviewed by the Board as and when necessary to ensure relevance and effectiveness.

Intended Outcome 4.0

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

- 4.1 The Board has taken responsibility over the governance of sustainability in the Company with the formalisation of a Sustainability Framework to provide steer, foresight and stewardship in achieving the Environmental, Social and Governance (ESG) targets.
- 4.2 The Board believe that engagement, consultation, and seeking regular feedback are key steps in driving sustainability at the Company. The collective views, opinions and insight from the stakeholders help the Board make informed decision, while aligning the stakeholders' expectation with the Company sustainability priorities and business approach.
- 4.3 The Board through the NRC assesses the training programmes attended by each Director during the financial year to ensure they are kept abreast with the latest development in industry as well as the sustainability issues relevant to the Group.

- 4.4 The Board and Senior Management have carried out a number of measures targeted at mitigating the risks inherent to the operating model, based on the analysis of material aspects during the financial year including the fluidity of capital market dynamics, regulatory space and the global economic landscape, as well as issues that are important to the stakeholders.
- 4.5 The board has identified Head of Group Compliance as a designated person to address sustainability risks and opportunities strategically.

II. BOARD COMPOSITION

Intended Outcome 5.0

Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

- 5.1 The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis while the annual re-election of retiring Directors has been contingent on satisfactory evaluation of the retiring Directors' performance and contribution to the Board.
- 5.2 The current Board composition includes three (3) INEDs, one (1) NINED, and three (3) Eds, collectively representing 42% Independent Directors. Even though it is less than half (50%), the Board views the number of its INEDs as adequate to provide the necessary check and balance to the Board's decision-making process. Further, as the Chairman of the Board who is independent, has been providing strong leadership necessary to marshal the Board's priorities objectively.
- 5.3 Tan Sri Datuk Seri Panglima Sulong bin Matjeraie ("**Tan Sri Sulong**"), who was appointed as an Independent Director since 28 August 2014 and has reached the cumulative period of more than nine (9) years of service from 29 August 2023. The NRC has assessed the performance and independence of Tan Sri Sulong and is satisfied that his independence has not been impaired. Tan Sri Sulong shall be seeking the shareholders' approval at the forthcoming Eighteenth AGM of the Company to retain Tan Sri Sulong as an Independent Director of the Company.
- 5.4 The board has no policy to limit the tenure of its Independent Directors to nine (9) years without further extension.
- 5.5 In pursuit of the Diversity Policy, the NRC is mindful of its responsibilities to conduct all Board appointments through various approaches and sources in a manner that promotes diversity in the Board which can offer greater depth and breadth in Board discussions. Other factors taken into consideration include suitability for the role, Board balance and composition, the required mix of skills, the candidate's background, knowledge, integrity, competency, experience and potential contribution to the Group, and additionally, in the case of the candidate proposed for appointment as Independent Director, the candidate's independence based on the criteria stipulated in the Listing Requirements.
- 5.6 The Board is aware of the guidance to utilise independent sources for future appointments and to disclose how a Board member is sourced in the Company's annual report.
- 5.7 The performance of retiring Directors who are recommended for re-election at the forthcoming AGM would be assessed through the Board annual evaluation (including the independence of INED).
- 5.8 The NRC is chaired by a INED. Madam Ng Ing Peng had led the annual review of Board effectiveness, ensuring that the performance of each individual director is independently assessed and will lead the appointment of future board members, including the future Chairman and GCEO.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

5.9 The Board currently comprises seven (7) Directors, two (2) of whom are women, equivalent to 29.0% female representation at the Board level. The Company has taken initiative in appointing another female director namely Puan Zuhaida binti Zukifli on 1 September 2023. The Company sees diversity at the Board as an essential element in supporting the attainment of its strategic objectives and sustainable development. This includes having woman on the Board. Whenever there is an opening for new Director in the future, the Board will ensure that women are sought and included among candidates to be considered for appointment.

5.10 Currently, the Board does not have any formalised Board Diversity Policy or Gender Diversity Policy.

However, more women representation on the Board and in senior management will be taken into consideration when vacancies arise, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives.

Intended Outcome 6.0

Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

6.1 During the FYE 2023, the Board, through the NRC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director:-

- (i) Directors' self-assessment;
- (ii) Evaluation on the effectiveness of the Board as a whole and Board Committees;
- (iii) Assessment of Independent Directors; and
- (iv) Review of the term of office and performance of the AC and each of its members.

Based on the aforesaid evaluations conducted for the FYE 2023, the NRC and the Board were satisfied with the performance of the Board as a whole, AC, NRC and individual Board member.

III. REMUNERATION

Intended Outcome 7.0

The level and composition of remuneration of Directors and senior management take into account the Company's desire to attract and retain the right talent in the board and senior management to drive the Company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

7.1 The determination of the remuneration of Directors and Senior Management is guided by the Remuneration Policy of the Company. All Directors will abstain from deliberation and voting on fixing their remuneration package or Directors' fee at the Nomination and Remuneration Committee Meeting (where relevant) and the Board Meeting.

7.2 The Board has a NRC that assists the Board in reviewing and recommending the proposed remuneration package of the Executive Directors including Directors of subsidiary companies, and senior management to ensure that the executive directors and senior management are fairly rewarded for their contribution to overall performance and that the compensation is reasonable in light of the Group's objectives, which rewards contribution to the long-term success of the Company in promoting business stability and growth.

Intended Outcome 8.0

Stakeholders are able to assess whether the remuneration of Directors and senior management is commensurate with their individual performance, taking into consideration the Company's performance.

8.1 The breakdown of the remuneration of each individual Director for the FYE 2023 is as follows: -

(i) Company Level

Name of Director	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments
EDs						
Dato' Anthony @ Firdauz bin Bujang	-	-	1,260,000	250,000	-	270,000
Dato Ahmadi bin Yusoff	-	-	733,320	174,164	-	73,332
Simon Ong	-	-	733,320	174,163	-	133,332
Total	-	-	2,726,640	598,327	-	476,664
Non-EDs						
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	144,000	11,200	-	-	-	-
Gian Carlo Maccagno	96,000	14,400	-	-	-	-
Ng Ing Peng	122,000	14,400	-	-	-	-
Zuhaida binti Zukifli	38,000	3,200	-	-	-	-
Abdul Rahim Abdul Hamid	71,250	8,800	-	-	-	171,000
Total	471,250	52,000	-	-	-	171,000

(ii) Group Level

Name of Director	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments
EDs						
Dato' Anthony @ Firdauz bin Bujang	-	-	1,260,000	250,000	-	270,000
Dato Ahmadi bin Yusoff	-	-	733,320	174,164	-	73,332
Simon Ong	-	-	733,320	174,163	-	133,332
Total	-	-	2,726,640	598,327	-	476,664

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Non-EDs						
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	144,000	11,200	-	-	-	-
Gian Carlo Maccagno	96,000	14,400	-	-	-	-
Ng Ing Peng	122,000	14,400	-	-	-	-
Zuhaida binti Zukifli	38,000	3,200	-	-	-	-
Abdul Rahim Abdul Hamid	71,250	8,800	-	-	-	171,000
Total	471,250	52,000	-	-	-	171,000

- 8.2 The Board is of the view that it is inappropriate to disclose the remuneration of senior management staff on a named basis, for the best interest of the Group in mind, and taking into consideration the sensitivity, security, and issue of staff morale.

The top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.00, are as follows: -

Range Remuneration per annum	Number of Senior Management
RM550,001 – RM600,000	1
RM500,001 – RM550,000	1
RM450,001 – RM500,000	2
RM300,001 – RM350,000	6

- 8.3 The detailed remuneration of each member of senior management on a named basis will not be disclosed for confidentiality purposes.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome 9.0

There is an effective and independent AC.

The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of information.

- 9.1 The AC is chaired by Madam Ng Ing Peng ("**Madam Ng**"), the INED, which is a separate person from the chair of the Board. She is responsible to ensure the overall effectiveness and independence of the AC.
- 9.2 The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. None of the AC members was former key audit partners and the Board has no intention to appoint any former key audit partner as a member of the AC or Board.
- 9.3 The AC recommended Messrs. PricewaterhouseCoopers PLT ("**PwC**") to be re-appointed in FYE 2023 based on PwC's:-
- Active communication with the AC.
 - Presentation of a comprehensive audit plan and audit findings.
 - Provision of the necessary quality of services required.
 - Sufficient resources to carry out the audit.
 - Declaration of independence in accordance with the By-Laws of the Malaysian Institute of Accountants (on Professional Ethics, Conduct and Practice) are in order.

The Board noted PwC's willingness to continue in office for the ensuring year and having reviewed the justifications provided by the AC, the Board has in turn, recommended the same for shareholders' approval at the Eighteenth AGM of the Company.

9.4 The AC comprises only a majority of Independent Directors, which is in compliance with the MainLR.

9.5 The Board ensured that the AC as a whole is financially literate and are able to understand the Company's business and matters under the purview of the AC including the financial reporting process. They have continuously applied a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenged Management's assertions on the Company's financials. Any inconsistencies or irregularities in the financial and operational reports would be questioned to ascertain that the Quarterly Report and the annual Audited Financial Statements taken as a whole provide a true and fair view of the Company's financial position and performance.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 10.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

10.1 The Board is committed to maintaining sound, effective and efficient internal control system and risk management framework that provide reasonable assurance to safeguard the Group's assets and shareholders' interests. This includes ensuring operational effectiveness and efficiency, financial reporting reliability and compliance with applicable laws and regulations.

The Board recognizes the limitations inherent in any risk management framework and internal control system, hence seeks to mitigate rather than eliminate risk of failure to achieve business objectives. In the pursuit of the Group's strategies and business objectives, the risk management framework and internal control system established manage the material risks within the Group's risk appetite. Accordingly, the systems provide reasonable and not absolute assurance against material error, misstatement or loss.

The Board confirms that the risk management framework and internal control system have been in place during the financial year.

10.2 Features of risk management and internal control framework have been disclosed in the Statement on Risk Management and Internal Control in the 2023 Annual Report.

10.3 There is a GCARC comprised a majority of independent directors, to oversee the company's risk management framework and policies and to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

Intended Outcome 11.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

11.1 The Group Internal Audit Department (“GIA”) is an in-house function that carries out its activities in accordance with the Internal Audit Charter which defines the scope, authority, roles and responsibilities of internal audit function. It is an independent function that reports directly to the AC and administratively to the Group Chief Executive Officer. In ensuring the GIA is able to function effectively and independently, the AC meets the acting Head of GIA and reviewed the internal audit reports on a quarterly basis. The AC also review the status of corrective actions taken by the Management as reported by GIA.

During the FYE 2023, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the GIA in the financial year ended 31 December 2022 and that they have the necessary authority to carry out their work.

11.2 Encik Noor Ahmad bin Mohamad Basir currently leads GIA, having been appointed as its acting Head in 2023.

The acting Head of GIA maintains regular and direct communication with the AC and unrestricted access to the Executive Directors and Group Chief Financial Officer. Directly reporting to the acting Head of GIA are one (1) manager and one (1) executive, both holding bachelor's degrees.

All members of GIA have signed a written confirmation that they comply with the code of conduct of the Group and are free from any form of conflicts of interest which could impair their objectivity.

Based on the internal audit plan approved by the AC, GIA performs independent assessment on the adequacy and effectiveness of the Group's system of internal control. GIA is guided by the International Professional Practice Framework (IPPF) in their works and the approach is risk based.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 12.0

There is continuous communication between the Company and stakeholder to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

12.1 The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Group's business, operations and financial performance and ensure that the communication with them is accurate, timely, factual, informative, consistent, transparent and timely.

The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follow:-

(a) Announcements to Bursa Securities

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.

Shareholders and Investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at www.petraenergy.com.my.

(b) Annual reports

The Company's annual reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

(c) AGM/general meetings

The AGM/general meetings which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.

(d) Corporate website

The Company's corporate website provides a myriad of relevant information on the Company and is accessible by the public.

(e) Investor Relations

Shareholders and other interested parties are welcome to contact the Company should they have any comments, questions or concerns, by writing in, via telephone or facsimile to the Company's general email address.

12.2 The Company is not categorised as a "Large Company" and hence, has not adopted integrated reporting based on a globally recognised framework.

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome 16.0

Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

13.1 The Annual Report, which contains the Notice of Seventeenth AGM, was sent to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.

The notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

13.2 All the Directors of the Company attended the Seventeenth AGM of the Company held on 25 May 2023.

All the Directors of the Company will endeavour to attend all future General Meetings and the Chair of the Audit Committee, Nomination and Remuneration Committee and Governance Compliance and Risk Committee will provide meaningful responses to questions addressed to them.

13.3 The Company had organised the Seventeenth AGM by way of virtual basis on 25 May 2023 and hence, shareholders and proxies were able to participate and vote remotely. This facilitated greater shareholders participation at general meetings.

13.4 Shareholders were provided with ample time to ask questions or seek clarifications from the Directors in relation to the Company's businesses and results.

13.5 The Company leveraged technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities. The questions posed by the shareholders were answered by the Directors but the questions posed were not displayed to the participants of the Seventeenth AGM.

13.6 Questions or comments raised at the Seventeenth AGM were duly answered and clarified by Directors, and they can be found in the Minutes of Seventeenth AGM which was posted on the Company's website at <http://www.petraenergy.com.my>.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 8 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year ended 31 December 2023.

AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2023, the amounts of audit and non-audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

Item	Company (RM 000)	Group (RM 000)
Statutory Audit services rendered	83	889
Other audit related services rendered	14	77
Non-audit services rendered		
1. Consultancy and professional services rendered such as taxation and financial reporting consultancies.	11	111
Total	108	1,077

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting as the end of the financial year ended 31 December 2023, or entered into since the end of the previous financial year ended 31 December 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to take reasonable steps in ensuring that the financial statements of the Group are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, so as to give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its results and the cash flows of the Group for the year then ended.

The Directors consider that in preparing the financial statements for the financial year ended 31 December 2023:-

- the Group has used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been followed; and
- the financial statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy at any time of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016 in Malaysia. The Statement by the Directors pursuant to Section 251(2) of the Companies Act 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated audited financial statements for the financial year ended 31 December 2023.

The Directors have ensured that the quarterly reports and annual audited financial statements of the Group are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Directors also have general responsibilities for taking such steps that appropriate systems are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Directors hereby submit their annual report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are provision of integrated brownfield services for the upstream oil and gas industry.

The principal activities of the subsidiaries are disclosed in Note 19 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	52,722	39,766

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie
Dato' Anthony @ Firdauz Bin Bujang
Dato Ahmadi Bin Yusoff
Gian Carlo Maccagno
Ng Ing Peng
Simon Ong
Zuhaida Binti Zulkifli (appointed on 1st September 2023)
Abdul Rahim Bin Abdul Hamid (retired on 25th May 2023)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of the Report is as follows:

Mohamad Subky Bin Bustari
Khairul Anwar Bin Mohamad
Sonny Bin Kushairi
Suhaini @ Abdullah Bin Hipni @ Webb (resigned on 1st July 2023)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Directors and Officers of the Company are covered by Directors and Officers liability insurance amounted to RM10,000,000 for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium amounted to RM46,332 paid during the financial year was fully borne by the Company.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year.

DIVIDENDS

The amount of dividends paid or declared by the Company since the end of previous financial year was as follows:

	RM'000
Interim tax exempt (single-tier) dividends of 2.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2022, declared on 21 November 2022 and paid on 20 January 2023	6,419
Interim tax exempt (single-tier) dividends of 3.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2022, declared on 22 February 2023 and paid on 27 April 2023	9,629
Interim tax exempt (single-tier) dividends of 3.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2023, declared on 24 November 2023 and paid on 19 January 2024	9,629
Special tax exempt (single-tier) dividends of 4.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2023, declared on 15 December 2023 and paid on 14 February 2024	12,838

On 22 February 2024, the Directors declared a single tier interim dividends of 4.0 sen per ordinary shares of 50 sen each for the financial year ended 31 December 2023 amounting to RM12,838,000 and paid on 29 March 2024.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Company during the financial year are as follows:

	Company 2023 RM'000
Executive:	
Salaries, allowances and compensation	3,325
Defined contribution plan	523
Other emoluments *	477
Total Executive Directors' remuneration	4,325
Non-Executive:	
Fees and emoluments *	694
Total Directors' remuneration	5,019

* Included in directors' emoluments are benefits-in-kind (based on estimated monetary value) receivable from the Group and the Company of RM NIL (2022: nil).

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report:
- (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

- (d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has no arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 19 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration in respect of Statutory audit and other audit related services as well as the total fees for non-audit related services paid/payable by the Group and the Company to the auditors are as follows :

	Group RM'000	Company RM'000
Audit and other audit related services	966	97
Non-audit services	111	11
	1,077	108

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 17 April 2024. Signed on behalf of the Board of Directors:

DATO' ANTHONY @ FIRDAUZ BIN BUJANG
DIRECTOR

NG ING PENG
DIRECTOR

Kuala Lumpur

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Anthony @ Firdauz Bin Bujang and Ng Ing Peng, two of the Directors of Petra Energy Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 124 to 172 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2023 and financial performance of the Group and of the Company for the financial year ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 17 April 2024.

DATO' ANTHONY @ FIRDAUZ BIN BUJANG
DIRECTOR

NG ING PENG
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Khairul Anwar Bin Mohamad, being the officer primarily responsible for the financial management of Petra Energy Berhad, do solemnly and sincerely declare that the financial statements set out on pages 124 to 172 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KHAIRUL ANWAR BIN MOHAMAD
(MIA No.: 40303)

Subscribed and solemnly declared by the above named Khairul Anwar Bin Mohamad, at Kuala Lumpur in Malaysia on 17 April 2024, before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETRA ENERGY BERHAD (INCORPORATED IN MALAYSIA)

REGISTRATION NO. 200501036241 (718388-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Petra Energy Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 124 to 172.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PETRA ENERGY BERHAD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200501036241 (718388-H) (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>Risk of fraud in revenue recognition of lump sum contracts and accuracy of year end accruals and estimated cost to completion (Work Order A)</p> <p>Management exercised judgement and estimates on revenue recognised as disclosed in Note 4.1(a) and 5 in the financial statements:</p> <p>(i) Significant management judgement is applied in identifying the distinct performance obligations within a contract given the multiple deliverables in Hook-up, Commissioning and Engineering contracts and in Maintenance, Construction and Modifications Services ("MCM") contracts the satisfaction of performance obligations as either point in time or over time and the treatment of contract modifications. Given the unique nature of each work order within a contract, each work order was reviewed to determine the applicable accounting for revenues from projects under MFRS 15 "Revenue from Contract with Customers" ("MFRS 15").</p> <p>(ii) Services rendered under the Hook-up, Commissioning and Engineering and MCM projects are complex, involving significant management estimates in using the input method of determining the measure of progress towards complete satisfaction of performance obligations including the assessment of remaining risks and contingencies. The key estimates involved in estimating costs to complete are man days, materials cost and marine workboat days. Any significant changes to the estimated costs to complete due to delays, re-work and service quality issues will materially impact the estimated cost to complete and therefore the revenue recognised for the year.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> - Obtained management's assessment on the identification of separate performance obligations over material customer contracts with bundling arrangements and work orders and we have validated the assessment to the customer contracts and work order proposals on sampling basis as a test of control; - Reviewed management's analysis in determining satisfaction of performance obligation as over time or point in time. We have checked and vouched to underlying documents, such as service delivery notes and job completion tickets as to whether the customer simultaneously receives and consumes the benefit provided by the Group's performance as the Group performs (over time) or whether the control has been transferred to the customer of the promised asset at point in time (point in time); - In addition, we reviewed modifications of contracts such as change orders received or revised work orders entered between the Group and its customers. <p>Our audit procedures to address the risk of material misstatement relating to the input method of measuring progress include:</p> <ul style="list-style-type: none"> - Testing the effectiveness of management's internal controls over the approval of contracts, contract budgets, year end project accruals and reperformance on the computation of revenue based on the input method of measuring progress to complete satisfaction of performance obligation;

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PETRA ENERGY BERHAD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200501036241 (718388-H) (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> - We examined project documentation and forecasts of cost to complete with the Group's respective project managers. We corroborated the outcome of these discussions by performing procedures such as evaluation of forecasts and recalculation of the progress towards complete satisfaction of the performance obligation; - We also performed test of details over cost incurred to date, such as vouching of invoices, hire certificates for the vessels, service orders, goods received notes and timesheets on the hours incurred; and - We examined non-standard journal entries and other material adjustments related to revenue accounts. <p>We did not identify any material exception from performing the procedures above.</p>
<p>Impairment review of carrying value of vessels and dry docking costs and other marine assets</p> <p>As at 31 December 2023, the carrying value of vessels and dry docking and other marine assets recorded within Property, Plant and equipment in Group's financial position is RM140.4 million.</p> <p>We focused on this area due to the magnitude of the carrying amount and the significant assumptions used by management in its impairment assessment for the vessels and dry docking costs.</p> <p>Additionally, the Group's market capitalisation continues to be lower than the net assets value triggering for an impairment indicator for all assets within the Group.</p> <p>Accordingly, an assessment was performed in accordance with the requirement of MFRS 136 "Impairment of Assets".</p> <p>The impairment assessment performed by management based on value in use method involved significant estimates which includes probability of securing charter contracts which impacts the vessels utilisation rate, daily charter rate and discount rate.</p> <p>Based on the impairment assessment performed by management, impairment losses of RM13.9 million were recorded for the Group's property, plant and equipment.</p> <p>The disclosures are included in Note 13 to the consolidated financial statements.</p>	<p>With respect to the reliability of management's use of key assumptions in the cash flow projections to determine the value in use calculations, we performed the following procedures:</p> <ul style="list-style-type: none"> - Assessed the reliability of management's projections through the comparison of actual past performances against previous forecasted results and against historical data/industry trends; - Assessed the reasonableness of the key assumptions, which were used by management in developing the discounted cash flows projections which the probability of securing contracts/extensions, expected utilisation rates and charter hire rates; - Examined the probability weighted cash flow projections performed by management and the basis of probability used; - Checked sensitivity analysis performed by management on the key assumptions used in the cash flow projections to evaluate the impact on the recoverable amount; - Reviewed the valuation methodology and checked the discount rates used in management's assessment with the assistance of our valuation experts by benchmarking to market data and industry research; and - Assessed the adequacy of disclosures in the financial statements. <p>We did not identify any material exception from performing the procedure above.</p>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PETRA ENERGY BERHAD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200501036241 (718388-H) (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement on Risk Management and Internal Control, Audit Committee Report, Corporate Governance Overview Statement and Financial Highlights, Sustainability Report, Analysis of Shareholdings, Chairman's Statement and Management Discussion and Analysis, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PETRA ENERGY BERHAD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200501036241 (718388-H) (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PETRA ENERGY BERHAD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200501036241 (718388-H) (CONTINUED)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
17 April 2024

SUBATHRA A/P GANESAN
03020/08/2024 J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	553,532	370,724	9,891	7,279
Cost of sales		(442,249)	335,900	(9,201)	(6,766)
Gross profit		111,283	34,824	690	513
Dividend income		–	–	60,000	18,000
Administrative expenses		(30,952)	(23,941)	(14,710)	(9,597)
Impairment loss on property, plant and equipment		(13,895)	–	–	–
Impairment loss on investment in subsidiaries		–	–	(11,027)	–
Other (losses)/gain	6	(1,539)	1,343	–	4
Other income/ (expenses)	6	3,520	(2,017)	886	–
Profit from operations		68,417	10,209	35,839	8,920
Finance income	7	3,097	2,595	171	65
Finance costs	7	(6,733)	(2,365)	(126)	(61)
Share of results in associate	20	(8)	(420)	–	–
Profit before tax		64,773	10,019	35,884	8,924
Taxation	11	(12,051)	3,057	3,882	–
Profit for the financial year representing total comprehensive income for the financial year		52,722	13,076	39,766	8,924
Earnings per share attributable to the Owners of the Company (sen per share)					
Basic/Diluted	12	16.43	4.07		

The notes set out on pages 133 to 172 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	147,613	184,889	831	116
Exploration and evaluation assets	14	70,497	7,513	–	–
Right-of-use assets	15	44,072	80,890	1,628	1,852
Investments in subsidiaries	19	–	–	304,941	315,968
Investment in an associate	20	473	3,331	–	–
Investment in a joint venture	21	*	*	–	–
Deferred tax asset	22	9,827	7,503	3,882	–
		272,482	284,126	311,282	317,936
CURRENT ASSETS					
Inventories	23	4,777	7,182	–	–
Trade and other receivables	16	58,586	25,382	1,721	1,506
Amount due from subsidiaries	17	–	–	43,257	3,063
Amount due from JV partners	14	24,642	3,407	–	–
Amount due from an associate	31	–	60	–	60
Contract assets	18	85,690	114,141	–	–
Tax recoverable		5,216	10,885	–	–
Cash and bank balances	24	224,973	184,824	13,565	5,092
		403,884	345,881	58,543	9,721
Total assets		676,366	630,007	369,825	327,657
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	25	299,809	299,809	299,809	299,809
Treasury shares	26	(840)	(840)	(840)	(840)
Merger reserve	27	(31,000)	(31,000)	–	–
Currency translation reserve		10,027	10,027	–	–
Retained earnings		129,958	109,332	17,227	9,557
Total equity		407,954	387,328	316,196	308,526

*Denote RM1

The notes set out on pages 133 to 172 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONTINUED)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT LIABILITIES					
Lease liabilities	29	5,397	38,170	1,311	1,621
Deferred tax liabilities	22	–	22	–	–
		5,397	38,192	1,311	1,621
CURRENT LIABILITIES					
Lease liabilities	29	26,585	30,243	397	272
Borrowings	28	25,529	36,860	–	–
Trade and other payables	30	183,151	129,980	6,850	2,502
Amount due to subsidiaries	17	–	–	22,570	8,283
Contract liabilities	18	2,373	908	–	–
Tax payable		2,910	77	34	34
Dividend payable		22,467	6,419	22,467	6,419
		263,015	204,487	52,318	17,510
Total liabilities		268,412	242,679	53,629	19,131
Total equity and liabilities		676,366	630,007	369,825	327,657

The notes set out on pages 133 to 172 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Attributable to Owners of the Company						
Note	Share capital RM'000	Merger reserve RM'000	Treasury shares RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000
2023						
At 1 January 2023	299,809	(31,000)	(840)	10,027	109,332	387,328
Profit for the financial year representing total comprehensive income for the financial year	–	–	–	–	52,722	52,722
	–	–	–	–	52,722	52,722
Transactions with owners:						
Interim dividends in respect of the financial year ended 31 December 2022	38	–	–	–	(9,629)	(9,629)
Interim dividends in respect of the financial year ended 31 December 2023	38	–	–	–	(9,629)	(9,629)
Special dividends in respect of the financial year ended 31 December 2023	38	–	–	–	(12,838)	(12,838)
At 31 December 2023	299,809	(31,000)	(840)	10,027	129,958	407,954

The notes set out on pages 133 to 172 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		Attributable to Owners of the Company					
	Note	Share capital RM'000	Merger reserve RM'000	Treasury shares RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000
2022							
At 1 January 2022		299,809	(31,000)	(840)	10,027	109,094	387,090
Profit for the financial year representing total comprehensive income for the financial year		–	–	–	–	13,076	13,076
		–	–	–	–	13,076	13,076
Transactions with owners:							
Interim dividends in respect of the financial year ended 31 December 2021	38	–	–	–	–	(6,419)	(6,419)
Interim dividends in respect of the financial year ended 31 December 2022	38	–	–	–	–	(6,419)	(6,419)
At 31 December 2022		299,809	(31,000)	(840)	10,027	109,332	387,328

The notes set out on pages 133 to 172 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Distributable		
	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
2023					
At 1 January 2023		299,809	(840)	9,557	308,526
Total comprehensive income for the financial year		–	–	39,766	39,766
Transactions with owners:					
Interim dividends in respect of the financial year ended 31 December 2022	38	–	–	(9,629)	(9,629)
Interim dividends in respect of the financial year ended 31 December 2023	38	–	–	(9,629)	(9,629)
Special dividends in respect of the financial year ended 31 December 2023	38	–	–	(12,838)	(12,838)
At 31 December 2023		299,809	(840)	17,227	316,196
2022					
At 1 January 2022		299,809	(840)	13,471	312,440
Total comprehensive income for the financial year		–	–	8,924	8,924
Transactions with owners:					
Interim dividends in respect of the financial year ended 31 December 2021	38	–	–	(6,419)	(6,419)
Interim dividends in respect of the financial year ended 31 December 2022	38	–	–	(6,419)	(6,419)
At 31 December 2022		299,809	(840)	9,557	308,526

The notes set out on pages 133 to 172 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		64,773	10,019	34,998	8,924
Adjustments for:					
Finance income		(3,097)	(2,595)	(171)	(65)
Finance costs		6,733	2,365	126	61
Unrealised foreign exchange loss/(gain)		216	(845)	–	–
Property, plant and equipment:					
- Depreciation charge		24,807	23,508	118	111
- Impairment loss		13,895	–	–	–
- Loss/(gain) on disposal		567	(157)	–	–
Right-of-use assets:					
- Depreciation charge		39,926	23,109	417	433
Net impairment of trade and other receivables		163	2,738	–	–
Impairment loss on investment in subsidiaries		–	–	11,027	–
Share of results of an associate		8	420	–	–
Waiver of amount due to Subsidiary		–	–	(886)	–
Divided Income		–	–	(60,000)	–
		147,991	58,562	(13,485)	9,464
Changes in working capital:					
Inventories		2,405	(5,248)	–	–
Trade and other receivables		(33,367)	17,288	(215)	6
Amount due to joint venture partners		(21,235)	(3,407)	–	–
Contract assets		28,451	(11,277)	–	–
Contract liabilities		1,465	(3,080)	–	–
Trade and other payables		49,679	21,446	4,348	1,950
Amount due from associate		60	–	60	–
Receipts on behalf of subsidiaries		–	–	–	(2,682)
		175,449	74,284	(9,292)	8,738
Tax refund		1,688	–	–	–
Taxation paid		(7,583)	(7,350)	–	–
Net cash flows generated from/(used in) operating activities		169,554	66,934	(9,292)	8,738

The notes set out on pages 133 to 172 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(17,488)	(5,831)	(833)	(41)
Additions of exploration and evaluation assets		(62,984)	(3,960)	–	–
Proceeds from disposal of property, plant and equipment		18,787	164	–	–
Dividends from an associate (net)		2,850	6,899	–	–
Interest received		3,097	2,595	171	65
Net cash flows (used in)/generated from investing activities		(55,738)	(133)	(662)	24
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid on ordinary shares		(16,048)	(6,419)	(16,048)	(6,419)
Advance from subsidiaries		–	–	34,979	–
Repayments of borrowings		(80,278)	(67,991)	–	–
Proceeds from borrowings		68,947	72,015	–	–
Repayments of lease liabilities		(42,454)	(21,021)	(492)	(489)
Interest paid on borrowings	7	(2,414)	(978)	–	–
Other finance charges	7	(1,404)	(695)	(12)	(10)
Net (decrease)/ increase in debt reserve accounts		(393)	1,187	–	–
Net cash flows used in financing activities		(74,044)	(26,277)	(18,427)	(6,918)
NET INCREASE IN CASH AND CASH EQUIVALENTS		39,772	40,524	8,473	1,844
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		148,234	107,652	5,092	3,248
EFFECTS OF EXCHANGE RATE CHANGES		(16)	58	–	–
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	24	187,990	148,234	13,565	5,092

The notes set out on pages 133 to 172 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Changes in liabilities arising from financing activities:

Group

	Non-cash changes					
	At 1.1.2023 RM'000	Cash flows RM'000	Additional lease liabilities RM'000	Foreign exchange movement RM'000	Interest accretion RM'000	At 31.12.2023 RM'000
Borrowings	36,860	(13,745)	–	–	2,414	25,529
Lease liabilities	68,413	(42,454)	3,108	–	2,915	31,982
	105,273	(56,199)	3,108	–	5,329	57,511

	Non-cash changes					
	At 1.1.2022 RM'000	Cash flows RM'000	Additional lease liabilities RM'000	Foreign exchange movement RM'000	Interest accretion RM'000	At 31.12.2022 RM'000
Borrowings	32,837	3,045	–	–	978	36,860
Lease liabilities	17,278	(21,021)	71,402	62	692	68,413
	50,115	(17,976)	71,402	62	1,670	105,273

Company

	Non-cash changes					
	At 1.1.2023 RM'000	Cash flows RM'000	Additional lease liabilities RM'000	Foreign exchange movement RM'000	Interest accretion RM'000	At 31.12.2023 RM'000
Lease liabilities	1,893	(492)	193	–	114	1,708

	Non-cash changes					
	At 1.1.2022 RM'000	Cash flows RM'000	Additional lease liabilities RM'000	Foreign exchange movement RM'000	Interest accretion RM'000	At 31.12.2023 RM'000
Lease liabilities	154	(489)	2,177	–	51	1,893

The notes set out on pages 133 to 172 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group are disclosed in Note 19. There have been no significant changes in the nature of the principal activities during the financial year.

Petra Energy Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associate.

The registered office and the principal place of business of the Company is located at Suite 13.02, Level 13, Menara OBYU, No. 4, Jalan PJU8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

These financial statements were authorised for issue by the Board of Directors in accordance with their resolution dated on 17 April 2024.

2 BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in the respective notes to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3 NEW STANDARDS AND AMENDMENT TO PUBLISH STANDARDS

- (a) Standards, amendments to published standards that are effective and applicable for the Group and Company for financial year beginning on 1 January 2023
- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on “Disclosure of Accounting Policies” and “Definition of Accounting Estimates”
 - Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
 - MFRS 17 “Insurance Contracts” and its amendments
 - Amendment to MFRS 17 “Initial Application of MFRS 17 and MFRS 9 - Comparative Information”
 - Amendments to MFRS 112 “International Tax Reform—Pillar Two Model Rules”

The new standards and amendments to published standards listed above did not have any significant impact on the financial statements of the Group and Company in the current period and prior periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 NEW STANDARDS AND AMENDMENT TO PUBLISH STANDARDS (CONTINUED)

- (b) New amendments to the published standards that are applicable to the Group and the Company but not yet effective
- i) Financial year beginning on or after 1 January 2024
 - Amendments to MFRS 101 “Classification of liabilities as current or non-current” (“2020 amendments”) and “Non-current Liabilities with Covenants” (“2022 amendments”)
 - Amendments to MFRS 16 “Lease Liability in a Sale and Leaseback”
 - Amendments to MFRS 107 and MFRS 7 “Supplier Finance Arrangements”
 - ii) Financial year beginning on or after 1 January 2025
 - Amendments to MFRS 121 “Lack of Exchangeability”
 - iii) The effective date has been deferred to a date to be determined by Malaysian Accounting Standards Board
 - Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 “Investment in Associates and Joint Venture - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

Management is currently assessing the impact on adoption of these amendments to published standards on its respective effective date.

There are no other standards, amendments and improvements to published standards and interpretations to existing standards that are not effective that would be expected to have a material impact on the Group and the Company.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statement at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities are discussed below:

- (a) Revenue from contracts with customers
- (i) Identifying the distinct performance obligation within a contract given the multiple deliverables in Hook-up, Commissioning and Engineering contracts and in Maintenance, Construction and Modifications Services (“MCM”) contracts the satisfaction of performance obligations as either point in time or over time and the treatment of contract modifications under MFRS 15 “Revenue from Contract with Customers”(“MFRS 15”)
 - (ii) Determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total costs using the input method. The key estimates involved in estimated costs to complete are man days, materials cost and marine workboat days. Any significant changes to the estimated costs to complete due to delays, re-work and service quality issues will materially impact the estimated cost to complete and therefore the revenue recognised for the year. In making these judgements, management relies on past experience.

The Group recognised revenue from construction projects is RM112.2 million (2022: RM103.4 million) for the financial year ended 31 December 2023. Refer to Note 5 for further details.

- (b) Impairment review of property, plants and equipment

During the financial year, the Group has carried out impairment review on its non-financial assets with impairment indicators. As a result, the Group recorded a total impairment loss of RM 13.9 million during the financial year ended 31 December 2023 in respect of the Group's vessels and dry docking assets. The details are included in Note 13.

5 REVENUE

Revenue from contract with customers

(a) Sale of goods

The Group sells a range of equipment to its customers in the oil and gas market. Sales are recognised when control of the equipment has transferred, being when the equipment are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the equipment. Delivery occurs when the equipment have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the equipment in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales are recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

(b) Hook-up and commissioning

The Group renders hook-up and commissioning as well as engineering services. Revenue from providing these services is recognised over the period in which the services are rendered. For lump-sum contracts, revenue is recognised by measuring progress towards completion of services. Progress is measured using the input method based on the actual costs relative to the total costs of the contract.

The contracts include multiple deliverables such as the provision for manpower, tools, equipment, consumables, engineering, project materials, marine spread, specialized services and final documentation for offshore hook-up and commissioning for the project and all technical clarification for onshore and offshore work. In most cases, the multiple deliverables are integrated service which will be performed by one party and therefore accounted for as a single integrated performance obligation.

In terms of marine spread and procurement of tools and equipment and reimbursables which are engaged by customers independently as an individual work order, these are accounted for as one separate performance obligation by itself. In this case, the transaction price will be allocated based on work orders issued as it approximates the stand-alone selling prices. Revenue from such services are recognised over time over the contract period.

Due to the nature of the services performed, variation orders and claims are commonly billed to clients in the normal course of business. The variation orders and claims are modifications of contracts that are usually not distinct and are therefore normally considered as part of the existing performance obligation. The Group recognises revenue related to the variation orders and claims only once they are formally approved in writing.

Estimates of costs are revised if circumstances change. Any revision resulting increase or decrease in revenue and costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

In case of lump-sum contracts, the customer pays the lump-sum amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

A contract asset is the Group's and the Company's right to consideration in exchange for goods or services that the Group and the Company have transferred to the customer. A contract asset becomes a receivable when the Group's and the Company's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

A contract liability is the Group's and the Company's obligation to deliver good or service, not cash or financial liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 REVENUE (CONTINUED)

Revenue from contract with customers (continued)

(b) Hook-up and commissioning (continued)

In some cases, the contract includes a fee based on time and materials. Revenue is recognised as the amount to which the Group has a right to invoice based on approved time spent recorded on the timesheet and material acceptance records from the customers. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Charter hire of vessel

The Group provides vessels on hire, crew services, catering and other services to its customers either individually or as part of other service offerings. Revenue from vessels on hire, crew services and catering are recognized over time as benefits are consumed by customers as and when services are rendered. Revenue from other services such as provision of barge management system and equipments are recognised at point in time upon the acceptance by the customers and the revenue can be measured reliably based on an approved job completion ticket.

(d) Management fees

The Company earns management fees from its subsidiaries. Management fees are recognised over time as benefits are consumed by the subsidiaries as and when services are rendered.

(e) Provision of services under Technical Service Agreement

Revenue from contracts with customers is recognised when or as the Group satisfies a performance obligation by transferring services to a customer, which is when the customer obtains control of the services.

The Group satisfies its performance obligations related to its contracts over time as the Group provides its services on a per billable monthly basis. The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time by recognising revenue in the amount that the Group has a right to invoice the customer, which corresponds directly with the value transferred to the customer for the performance completed to date.

The Group has elected to use the right-to-invoice practical expedient in certain service contracts where the Group invoices its customers on a per month basis that directly corresponds with the value received by the customer. As days are worked on the customer's contract, the Group satisfies its performance obligation to the customer and recognises revenue on a per month basis. When this practical expedient is used, the Group does not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes.

(f) Sundry Income

The Group recognises sales commission in respect of the IT software services rendered. The commission fee is a fixed consideration based on sales recognised at a point in time when the services are rendered and the amount can be reliably measured

Revenue from other sources

(a) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 REVENUE (CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers	553,532	370,724	–	–
Management fees from subsidiaries	–	–	9,891	7,279
	553,532	370,724	9,891	7,279

	Group		
	Services	Marine assets	Total
	RM'000	RM'000	RM'000
<u>2023</u>			
Sale of goods	14,561	–	14,561
Technical service contract	215,094	–	215,094
Charter hire of vessel	–	205,038	205,038
Hook-up and commissioning			
- lump sum contracts	112,266	–	112,266
- others	6,573	–	6,573
	348,494	205,038	553,532
Timing of revenue recognition			
- at a point in time	14,561	36,799	51,360
- over time	333,933	168,239	502,172
	348,494	205,038	553,532

	Group		
	Services	Marine assets	Total
	RM'000	RM'000	RM'000
<u>2022</u>			
Sale of goods	14,826	–	14,826
Technical service contract	151,030	–	151,030
Charter hire of vessel	–	98,698	98,698
Hook-up and commissioning			
- lump sum contracts	103,363	–	103,363
- others	2,807	–	2,807
	272,026	98,698	370,724
Timing of revenue recognition			
- at a point in time	14,826	–	14,826
- over time	257,200	98,698	355,898
	272,026	98,698	370,724

Revenue of the Company relates to management fees and dividend income received from subsidiaries and is recognised over time and at a point in time accordingly.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

6 OTHER INCOME/(EXPENSES)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other income/(expenses):				
- Sundry income	3,683	1,089	-	-
- Impairment loss on trade and other receivable	(1,059)	(3,533)	-	-
- Reversal of impairment	896	427	-	-
- Waiver of amount due to a subsidiary	-	-	886	-
Total other income	3,520	(2,017)	-	-
Other (losses)/gain:				
- Realised foreign exchange (loss)/gain	(756)	(341)	-	4
- Unrealised foreign exchange (loss)/gain	(216)	845	-	-
- Loss/(gain) on disposal of property, plan and equipment	(567)	157	-	-
Total other (looses)/gain	(1,539)	(1,343)	-	4
	1,981	(674)	886	4

7 FINANCE INCOME AND FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Finance income from:				
- Short term bank deposits	3,097	2,595	171	65
Interest expense on:				
- Obligations under lease liabilities	(2,915)	(692)	(114)	(51)
- Revolving credits	(2,414)	(978)	-	-
Other finance charges	(1,404)	(695)	(12)	(10)
Total finance costs	(6,733)	(2,365)	(126)	(61)
Net finance (costs)/income	(3,636)	230	45	4

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at profit/(loss) from operations:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- statutory audit	889	739	83	78
- audit related services	77	54	14	14
- non-audit fees	111	397	11	10
Other losses/(gains):				
- foreign exchange – unrealised	216	(845)	–	–
- foreign exchange – realised	756	(341)	–	–
Employee costs (Note 9)	145,593	105,959	18,287	11,951
Property, plant and equipment:				
- Depreciation charge	24,807	23,508	118	111
- Impairment loss	13,895	–	–	–
- Loss/(gain) on disposal	567	(157)	–	–
Right-of-use assets:				
- Depreciation charge	39,926	23,109	417	433
Trade and other receivables:				
- Impairment	1,059	3,533	–	–
- Write off	–	(368)	–	–
- Reversal of impairment	(896)	(427)	–	–
Impairment loss on investment in subsidiaries	–	–	11,027	–
Waiver of amount due to a subsidiary	–	–	(886)	–
Short term lease contracts:				
- Charter hire of vessels	110,655	17,520	–	–
- Rental of equipment	3,116	2,111	21	45
- Rental of land and buildings	–	128	–	–

9 EMPLOYEE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	100,981	73,678	8,794	9,308
Social security contributions	1,045	766	36	29
Contributions to defined contribution plan	10,629	9,184	1,057	996
Other benefits	32,938	22,331	8,400	1,618
	145,593	105,959	18,287	11,951

Included in employee costs of the Group and the Company are Directors' remuneration as disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Group and the Company during the financial year are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Executive:		
Salaries, allowances and compensation	3,325	2,884
Defined contribution plan	523	430
Other emoluments *	477	340
Total Executive Directors' remuneration	4,325	3,654
Non-Executive:		
Fees and emoluments *	694	575
Total Directors' remuneration	5,019	4,229

* Included in directors' emoluments are benefits-in-kind (based on estimated monetary value) receivable from the Group and the Company of RM Nil (2022: nil).

11 INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Current financial year	14,843	4,870	-	-
- Over provision in prior financial year	(446)	(841)	-	-
	14,397	4,029	-	-
Deferred tax (Note 22)				
- Origination and reversal of temporary differences	(2,346)	(7,086)	(3,882)	-
Total income tax expense/(credit)	12,051	(3,057)	(3,882)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

The explanation of the relationship between income tax credit and profit before taxation is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax	64,773	10,019	35,884	8,924
Tax calculated at the applicable Malaysian tax rate of 24% (2022: 24%)	15,546	2,405	8,612	2,142
Tax effects of:				
- Different tax rate in other jurisdiction	(6)	22	-	-
- Income not subject to tax	(13)	98	(14,612)	(3,982)
- Expenses not deductible for tax purposes	1,798	1,977	3,845	250
- Utilisation of previously unrecognised capital allowances and tax losses	(4,830)	(8,671)	(1,727)	-
- Current year's tax losses not recognised	-	1,852	-	1,590
- Share of results of an associate	2	101	-	-
- Over provision in prior years	(446)	(841)	-	-
	12,051	(3,057)	(3,882)	-

12 EARNINGS PER SHARE (EPS)

The calculation of basic earnings per ordinary share at 31 December 2023 and 31 December 2022 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2023	2022
	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)	52,722	13,076
Weighted average number of shares in issue ('000)	320,942*	320,942*
Basic/Diluted EPS (sen)	16.43	4.07

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted earnings per share are the same as basic earnings per share.

* Net of treasury shares

13 PROPERTY, PLANT AND EQUIPMENT

Depreciation is computed on a straight-line basis over the estimated useful lives of the plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Vessels and other marine assets	4 - 20%
Dry docking	20%
Plant and machinery	10%
Cabin, field and workshop equipment	10 - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	20%
Air conditioner, computer, signboard, renovation and electrical installation	20 - 50%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Asset Under construction RM'000	Vessels and dry docking RM'000	Other marine assets RM'000	Plant and machinery RM'000	Cabin, field and workshop equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Air-conditioner, computer, signboard, renovation and electrical installation RM'000	Total RM'000
<u>Group</u>									
<u>2023</u>									
Cost	-	370,106	19,388	1,668	19,945	1,643	2,965	18,393	434,108
Accumulated depreciation and accumulated impairment losses	-	(238,257)	(10,790)	(1,435)	(16,889)	(1,343)	(2,754)	(15,027)	(286,495)
Net book value	-	131,849	8,598	233	3,056	300	211	3,366	147,613
<u>2022</u>									
Cost	340	381,009	14,480	1,669	17,839	2,206	2,619	16,779	436,941
Accumulated depreciation and accumulated impairment losses	-	(208,218)	(7,859)	(1,292)	(16,465)	(1,816)	(2,415)	(13,987)	(252,052)
Net book value	340	172,791	6,621	377	1,374	390	204	2,792	184,889

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Group	Asset Under construction RM'000	Vessels and dry docking RM'000	Other marine assets RM'000	Plant and machinery RM'000	Cabin, field and workshop equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Air-conditioner, computer, signboard, renovation and electrical installation RM'000	Total RM'000
Net book value									
At 1 January 2023	340	172,791	6,621	377	1,374	390	204	2,792	184,889
Additions	-	10,988	4,908	-	2,813	-	105	1,966	20,780
Depreciation charge	-	(19,046)	(2,931)	(144)	(1,112)	(85)	(97)	(1,392)	(24,807)
Disposal	(340)	(18,989)	-	-	(19)	(5)	(1)	-	(19,354)
Impairment	-	(13,895)	-	-	-	-	-	-	(13,895)
At 31 December 2023	-	131,849	8,598	233	3,056	300	211	3,366	147,613
At 1 January 2022	-	170,385	5,937	517	2,669	103	208	3,645	183,464
Additions	340	-	2,989	4	23	381	113	450	4,300
Reclass from lease (receivables)	-	20,640	-	-	-	-	-	-	20,640
Depreciation charge	-	(18,234)	(2,305)	(144)	(1,318)	(87)	(117)	(1,303)	(23,508)
Disposal	-	-	-	-	-	(7)	-	-	(7)
At 31 December 2022	340	172,791	6,621	377	1,374	390	204	2,792	184,889

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Air - conditioner, computer, signboard, renovation and electrical installation RM'000	Total RM'000
<u>2023</u>				
Cost				
Accumulated depreciation	5	955	9,134	10,094
Net book value	(5)	(954)	(8,304)	(9,263)
	–	1	830	831
<u>2022</u>				
Cost	5	955	8,295	8,295
Accumulated depreciation	(5)	(953)	(8,181)	(9,139)
Net book value	–	2	114	116
<u>Net book value</u>				
At 1 January 2023	–	2	114	116
Additions	–	–	833	833
Depreciation charge	–	(1)	(117)	(118)
At 31 December 2023	–	1	830	831
<u>Net book value</u>				
At 1 January 2022	–	3	183	186
Additions	–	–	41	41
Depreciation charge	–	(1)	(110)	(111)
At 31 December 2022	–	2	114	116

The Group's vessels with a carrying amount of RM44,195,378 (2022: RM66,748,837) are pledged to secure the Group's borrowings (Note 28).

During the financial year, the Group revised the estimated residual values of vessels due to change in scrap price which changes year on year. The revision in estimate has been applied on a prespective basis from 1 January 2023 and this has resulted in depreciation savings of RM2,025,442 (2022: RM2,618,928)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As a result of the new arrangement on vessel chartering which has changed the nature of the Group's marine assets mobilisation as compared to a more secured approach of vessel chartering prior to financial year 2023, impairment testing has been performed on the vessels and dry docking and other marine assets with carrying amounts of RM140.4 million as at 31 December 2023 (2022: RM179.4 million) under the marine assets segment. The recoverable amount of each vessel, being define as a cash generating unit, have been determined based on value in use ("VIU"). The value in use has been calculated using the cash flow projections for a period of 6 to 12 years depending on the remaining useful lives of each vessel. An impairment loss of RM13.9 million has been recognised on vessels and other marine assets during the financial year ended 31 December 2023.

Key assumptions used in the VIU calculations are as follows:

	2023
Vessel utilisation rate (average)	48%
Charter hire rate	based on latest work order
Discount rate	10.05%

Impairment loss sensitivity analysis

The sensitivity of the decrease in carrying amount (ie. additional impairment loss) to the changes in key assumption with all other variables being held constant is as follows:

	2023 RM'000
Utilisation rate decreased by 3%	1,450
Charter hire reduced by 5%	3,775
Discount rate increased by 1%	958

14 EXPLORATION AND EVALUATION ASSETS

The Group's exploration and evaluation assets are from the petroleum contract for the exploration, development and production of petroleum in Block SK433, Onshore Sarawak. Cost of exploratory drilling is initially capitalised but will be subsequently expensed if proved reserves are not found. Successful exploratory drilling, development drilling and field development are capitalised until such time when production commences and are then depleted based on barrels of crude oil produced. Geological and geophysical expenses and other exploratory costs are charged to the statement of comprehensive income as incurred.

	RM'000
<u>Group</u>	
<u>2023</u>	
Cost/Net book value	70,497
<u>Net book value</u>	
At 1 January 2023	7,513
Additions	62,984
At 31 December 2023	70,497

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14 EXPLORATION AND EVALUATION ASSETS (CONTINUED)

	RM'000
<u>Group</u>	
<u>2022</u>	
Cost/Net book value	7,513
<u>Net book value</u>	
At 1 January 2022	2,022
Additions	5,491
At 31 December 2022	7,513

AMOUNT DUE FROM JV PARTNERS

The amount due from JV Partners is in relation to the provision of project management, technical and other services relating to the oil and gas exploration and development and share of administrative expenses in Block SK 433, Onshore Sarawak. The amount are unsecured and to be settled in cash.

As required under the Petroleum Contract , the Group maintains foreign currency letter of guarantee ("FCLG") of RM33.4 million (2022: RM33.4 million). The FCLG is secured by DSRA as disclosed in Noted 24.

15 RIGHT-OF-USE ASSETS

	Vessels and dry docking RM'000	Leasehold land and buildings RM'000	Total RM'000
<u>Group</u>			
<u>2023</u>			
Cost	130,554	40,828	171,382
Accumulated depreciation	(109,130)	(18,180)	(127,310)
Net book value	21,424	22,648	44,072
<u>Net book value</u>			
At 1 January 2023	57,850	23,040	80,890
Additions	–	3,108	3,108
Depreciation charge	(36,426)	(3,500)	(39,926)
At 31 December 2023	21,424	22,648	44,072
<u>2022</u>			
Cost	130,554	37,881	168,435
Accumulated depreciation	(72,704)	(14,841)	(87,545)
Net book value	57,850	23,040	80,890
<u>Net book value</u>			
At 1 January 2022	13,992	18,605	32,597
Additions	63,745	7,657	71,402
Depreciation charge	(19,887)	(3,222)	(23,109)
At 31 December 2022	57,850	23,040	80,890

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

15 RIGHT-OF-USE ASSETS (CONTINUED)

	Leasehold land and buildings RM'000
<u>Company</u>	
<u>2023</u>	
Cost	3,799
Accumulated depreciation	(2,171)
Net book value	1,628
<u>Net book value</u>	
At 1 January 2023	1,852
Additions	193
Depreciation charge	(417)
At 31 December 2023	1,628
<u>2022</u>	
Cost	3,606
Accumulated depreciation	(1,754)
Net book value	1,852
<u>Net book value</u>	
At 1 January 2022	108
Additions	2,177
Depreciation charge	(433)
At 31 December 2022	1,852

The Group's leasehold land and buildings with a carrying amount of RM7,662,933 (2022: RM7,853,711) and RM6,213,736 (2022: RM6,364,677) respectively are pledged to secure the Group's borrowings (Note 28).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade receivables:				
Third parties	55,632	22,012	–	–
Less: Provision for impairment loss	(4,095)	(3,961)	–	–
- Third parties				
	51,537	18,051	–	–
Other receivables:				
Deposits	1,756	1,692	1,175	1,177
Prepayments	4,486	2,135	421	216
Sundry receivables	5,140	7,808	125	113
Gross other receivables	11,382	11,635	1,721	1,506
Less: Provision for impairment loss	(4,333)	(4,304)	–	–
- sundry receivables				
	7,049	7,331	1,721	1,506
Total current receivables, net	58,586	25,382	1,721	1,506

(a) Trade receivables

Movement in allowance for impairment for trade receivables:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	3,961	3,366
Charge for the financial year	893	1,206
Reversal of credit losses	(759)	(427)
Write off	–	(184)
At 31 December	4,095	3,961

(b) Other receivables

Other receivables are unsecured and short-term in nature.

At the reporting date, the movement of the provision account used to record the impairment is as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	4,304	2,161
Charge for the financial year	166	2,327
Write off	–	(184)
Reversal of credit losses	(137)	–
At 31 December	4,333	4,304

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Impairment for debt instruments

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has five types of financial instruments that are subject to the ECL model:

- Trade receivables, contract assets
- Other receivables
- Amount due from subsidiaries (applicable to Company)
- Amount due from associate

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the Group and Company use the three stages approach reflect their credit risk and how the loss allowances are determined for each of those stages.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment. The Group assesses significant increase in credit risk when contractual payments are more than 120 days past due. The 30 days presumption is rebutted based on historical evidence that demonstrates that there is no correlation between significant increase in the risk of a default occurring and financial assets on which payments are more than 30 days past due, but that evidence does identify such a correlation when payments are more than 120 days past due.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Impairment for debt instruments (continued)

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 120 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty; it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

17 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Amounts due from subsidiaries	45,615	8,409
Less: Provision for impairment	(2,358)	(5,346)
Total current	43,257	3,063
Amounts due to subsidiaries	(22,570)	(8,283)

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured and interest free.

At the reporting date, the movement of the allowance account used to record the impairment is as follows:

	Company	
	2023	2022
	RM'000	RM'000
At 1 January	5,346	5,346
Write off	(2,988)	–
At 31 December	2,358	5,346

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

18 CONTRACT BALANCES

	Group	
	2023	2022
	RM'000	RM'000
Contract assets	85,690	114,141
The movement of contract assets is as follows:		
At 1 January	114,141	102,864
Transfer to receivables	(107,160)	(102,864)
Increase as a result of changes in the measure of progress	78,709	114,141
At 31 December	85,690	114,141
Contract liabilities	2,373	908
The movement of contract liabilities is as follows:		
At 1 January	908	3,988
Revenue recognised that was included in the contract liabilities	(908)	(3,988)
- Rendering of services		
Increases due to cash received, excluding amounts recognised as revenue during the financial year	2,373	908
At 31 December	2,373	908

Unsatisfied performance obligation

The following table shows unsatisfied performance obligations from long term contracts:

	2023	2022
	RM'000	RM'000
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at 31 December	134,083	199,465

Management expects that most of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue in the following year. The amount disclosed above does not include variable consideration which is constrained.

19 INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
<u>Unquoted shares, at cost</u>		
Ordinary shares	1,350	1,350
Redeemable Convertible Preference Shares ("RCPS")	171,180	171,180
Advances to subsidiaries treated as quasi-investment	153,726	153,726
Less : Accumulated impairment loss	(21,315)	(10,288)
	304,941	315,968

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

At the reporting date, the movement of the allowance account used to record the impairment is as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 January	10,288	10,288
Charge for the financial year	11,027	–
At 31 December	21,315	10,288

The Company reviewed the recoverability of its underlying interest in subsidiaries which were in net liabilities position as at 31 December 2023. The Company considered the financial position of its loss making subsidiaries namely Petra Fabricators Sdn Bhd (“PFSB”) and Petra Services Sdn Bhd (“PSSB”) and recognise impairment in the investment in PFSB and PSSB for financial year ended 31 December 2023.

The Company subscribed RCPS issued by its subsidiaries.

The terms of the RCPS are as follows:

- (a) Dividends on each RCPS shall be paid at the absolute discretion of the subsidiaries.
- (b) In the event of any liquidation, dissolution, winding up or other repayment of capital of the subsidiaries, the assets available for distribution among the members shall be applied in the following:
 - (i) Firstly to the RCPS shareholder, in payment of a sum equivalent to the aggregate of the RCPS issue price.
 - (ii) Then, to the holder of the other shares.
- (c) The RCPS shareholder shall have the right to receive reports and audited accounts and notice of and to attend all general meetings of the subsidiaries.
- (d) The RCPS are convertible into new ordinary shares at the absolute discretion of the subsidiaries.
- (e) The RCPS shall be redeemed at the absolute discretion of the subsidiaries.
- (f) The RCPS are non-transferable.

Name	Effective interest		Principal activities
	2023 %	2022 %	
Incorporated in Malaysia:			
Petra Energy Services Sdn. Bhd.	100	100	Investment holding
Petra Energy Capital Sdn. Bhd.	100	100	Investment holding
Petra Energy Development Sdn. Bhd.	100	100	Provision of services to operate and maintain the production, storage and offloading facilities, wells and reservoir surveillance, production planning and forecasting, logistics, inventory and warehousing management for an oil field.
Petra Energy Solution Sdn. Bhd.	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name	Effective interest		Principal activities
	2023 %	2022 %	
<u>Held through Petra Energy Services Sdn. Bhd.:</u> Petra Resources Sdn. Bhd.	100	100	Provision of services in operations and maintenance, oil field optimisation, retrofits, domestic vessels recharter, geophysical, design and fabrication of process equipment and packaging and supply of engineered equipment for the oil and gas industry
Petra Fabricators Sdn. Bhd.	100	100	Dormant
Petra Services Sdn. Bhd.	100	100	Dormant
Petra Marine Sdn. Bhd.	100	100	Ownership and supply of vessels
<u>Held through Petra Resources Sdn. Bhd.:</u> PE Resources Ltd*	100	100	Dormant
<u>Held through Petra Fabricators Sdn. Bhd.:</u> PE Industrial Resources Sdn. Bhd.	100	100	Design, fabrication, supply and installation of industrial boilers and ancillary equipment
<u>Held through Petra Marine Sdn. Bhd.:</u> PE Ship Management Sdn. Bhd.	100	100	Dormant
<u>Held through Petra Energy Capital Sdn. Bhd.:</u> PE Challenger Ltd*	100	100	Dormant
PE Marine One Ltd*	100	100	Dormant
PE Marine Ltd*	100	100	Dormant
<u>Held through Petra Energy Development Sdn. Bhd.:</u> PE Development Ltd*	100	100	Dormant
Petra Energy Mopu Sdn. Bhd.	100	100	Dormant
Petra Upstream Malaysia Sdn. Bhd.	100	100	Dormant

* These companies which are incorporated in Labuan are not required by their local laws to appoint statutory auditors. They are also in the process of liquidation

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

20 INVESTMENT IN AN ASSOCIATE

	Group	
	2023	2022
	RM'000	RM'000
Unquoted shares at cost	3,150	6,000
Dividends distribution	(2,677)	(2,669)
Share of net assets	473	3,331

The details of the associate are as follows:

Name	Country of incorporation	Group's effective interest	
		2023	2022
		%	%
Coastal Energy KBM Sdn. Bhd.	Malaysia	30	30

(i) The summarised statement of comprehensive income are as follows:

	CEKSB	
	2023	2022
	RM'000	RM'000
Revenue	–	–
Cost of sales	–	–
Loss before tax	(27)	(1,400)
Loss for the financial year	(27)	(1,400)
Other comprehensive loss	(27)	(1,400)
Total comprehensive loss	(27)	(1,400)
Group's share of total comprehensive loss	(8)	(420)

(ii) The summarised statement of financial position as at 31 December are as follows:

	CEKSB	
	2023	2022
	RM'000	RM'000
Current assets	1,576	11,646
Current liabilities	–	(543)
Net assets	1,576	11,646
Group's share of net assets	473	3,331

The information above reflects the amounts presented in the Liquidators' Account of the associate.

There are no contingent liabilities relating to the Group's interest in the associate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

20 INVESTMENT IN AN ASSOCIATE (CONTINUED)

(iii) Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate:

	Company	
	2023	2022
	RM'000	RM'000
Opening Group's share of net assets	3,331	10,650
Share of loss for the financial year	(8)	(420)
Dividend distribution	(2,850)	(6,899)
Carrying amount	473	3,331

21 INVESTMENT IN A JOINT VENTURE

The Group has a 50% interest in Khausar Energy Sdn. Bhd, a RM2 entity being set up to undertake business development activities focusing on building portfolio of Production & Development segment within the Group. The Group's interest in this joint venture is accounted for using the equity method in the consolidated financial statements.

The Group has not recognised cumulative share of losses from Khausar Energy Sdn. Bhd amounting to RM205,012 in respect of current financial year (2022: RM199,040).

The share of results and net assets of the joint venture are not material to the Group.

22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	9,827	7,503	3,882	–
Deferred tax liabilities	–	(22)	–	–
	9,827	7,481	3,882	–
At start of the financial year	7,481	395	–	–
Credited/(charged) to statement of comprehensive income				
- Property, plant and equipment	1	639	(55)	–
- Unutilised capital allowances	(4,767)	7,719	–	–
- Unutilised tax losses	3,430	346	3,776	–
- Provisions	3,332	(1,836)	161	–
- Advance billings	350	218	–	–
	2,346	7,086	3,882	–
At end of the financial year	9,827	7,481	3,882	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

22 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets (before offsetting)				
- Provisions	4,504	1,172	161	–
- Unutilised capital allowances	32,028	36,795	–	–
- Unutilised tax losses	3,776	346	3,776	–
- Advance billings	568	218	–	–
	40,876	38,531	3,937	–
Offsetting	(31,049)	(31,028)	(55)	–
Deferred tax assets (after offsetting)	9,827	7,503	3,882	–
Deferred tax liabilities (after offsetting)				
Property, plant and equipment	(31,049)	(31,050)	(55)	–
	(31,049)	(31,050)	(55)	–
Offsetting	31,049	31,028	55	–
Deferred liabilities (after offsetting)	–	(22)	–	–

The amount of unutilised business losses for which no deferred tax asset is recognised in the statements of financial position due to no foreseeable profit in the near future to be offset against deferred tax asset and its expiry period are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses				
- Within 5 years	97,735	102,222	–	10,199
- Within 6 years	–	3,009	–	6,024
- Within 7 years	1,346	7,370	–	6,706
- Within 8 years	893	7,598	–	–
	99,974	120,099	–	22,928

Under the Malaysia Finance Act 2018 which was gazetted on 31 December 2021, the existing time limit to carry forward unutilised tax losses has been extended to 10 consecutive years of assessment (ie. From year of assessments 2018). Accordingly, the unutilised tax losses incurred in the financial years 2019 onwards can be carried forward for another 10 consecutive years from each year of assessment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

23 INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
<u>Cost:</u>		
Consumables	3,223	6,125
Goods in transit	1,554	1,057
	4,777	7,182

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM27,761,676 (2022: RM18,449,300).

24 CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Short term deposits with licensed banks	76,099	113,171	–	–
Cash at bank	148,728	71,567	13,546	5,089
Cash on hand	146	86	19	3
	224,973	184,824	13,565	5,092
Less:				
- Restricted cash, held in Debts Service Reserve Account (“DSRA”)	(36,580)	(36,187)	–	–
- Deposits pledged for credit facilities	(403)	(403)	–	–
Net cash and cash equivalents	187,990	148,234	13,565	5,092

Deposits of the Group and Company at the end of the financial year have a maturity period of 30 days (2022: 30 days). The weighted average effective interest rates as at 31 December 2023 for the Group was 3.43% (2022: 2.35%) per annum and for the Company was Nil (2022: Nil).

The credit quality of bank balances can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Counterparties with external credit rating:				
- AAA	224,827	184,738	13,546	5,089

The credit quality of the above deposits and bank balances (excluding cash balances) are assessed by reference to RAM Services Berhad.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

25 SHARE CAPITAL

	Group and Company			
	Number of shares of RM0.50 each		Amount	
	2023 Unit'000	2022 Unit'000	2023 Unit'000	2022 Unit'000
Issued and fully paid:				
At 1 January/ 31 December	321,750	321,750	299,809	299,809

26 TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. In previous financial years, the Company acquired 5,000 shares in the Company through purchases on the Bursa Malaysia Securities Berhad. The total paid to acquire the shares was RM4,203 and this was presented as a component within shareholder's equity. For the financial year ended 31 December 2015, the Company repurchased 802,800 of its issued share capital through purchases on the Bursa Malaysia Securities Berhad and total paid to acquire the shares was RM836,000.

The share repurchased are being held as treasury shares as allowed under Section 127 of the Companies Act 2016. The Company has the right to issue these shares at a later date. As treasury shares, the voting rights attached as to voting, dividends and participation in other distribution are suspended. None of the treasury shares purchased had been sold as at 31 December 2023.

	Average price RM	Highest price RM	Lowest price RM	Number of treasury shares	Total consideration paid RM
Purchased date:					
December 2017	0.83	0.83	0.83	5,000	4,203
August 2015	0.95	1.01	0.89	602,800	563,406
September 2015	1.05	1.05	1.04	50,000	52,702
November 2015	1.45	1.47	1.43	150,000	219,804
				807,800	840,115

27 MERGER RESERVE

Merger reserve arose from the acquisition of Petra Resources Sdn. Bhd. and Petra Fabricators Sdn. Bhd. which were previously under the common control of Perdana Petroleum Berhad, and which had ceased to be a substantial shareholder of the Company on 3 September 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Invoice financing		
Current	25,529	36,860

Total available invoice financing facility of the Group amounting to RM90,000,000. As at the reporting date, the Group out of which the balance outstanding as of year end was RM25,529,000 (2022:RM36,860,000). For the current financial year, the facility bore an effective interest rate ranging from 4.25% to 8.07% per annum.

In addition to the above, the Group has available term loan facilities amounting to RM290,000,000 (2022:RM290,000,000) as the reporting date and the terms are as follows:

- First ranking statutory mortgages over certain vessels as disclosed in Note 13;
- First party legal charge over properties (leasehold land and buildings) located at Kampung Sg. Keling, Wilayah Persekutuan Labuan as disclosed in Note 15;
- First ranking assignments executed by certain subsidiaries to assign all of the subsidiaries' rights, title, interest and benefits in and to all proceeds arising from the Designated Agreements;
- First ranking Charge and Assignment of DSRA and deposits pledged as disclosed in Note 24; and
- Corporate guarantee to be provided by Petra Energy Berhad.

During the year, the Group has utilised RM39,965,000 of the term loan facilities and these amounts were fully repaid during the year. There was no outstanding balance as at the reporting date (2022:Nil).

29 LEASE LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured:				
- Current	26,585	30,243	397	272
- Non-current	5,397	38,170	1,311	1,621
	31,982	68,413	1,708	1,893
Future minimum lease payment				
- Not later than 1 year	27,388	42,295	489	381
- More than 1 year and less than 5 years	5,886	29,792	1,443	1,732
- More than 5 years	-	307	-	108
Total minimum future lease payment	33,274	72,394	1,932	2,221
Less: Future finance charges	(1,292)	(3,981)	(224)	(328)
Present value of finance lease liabilities	31,982	68,413	1,708	1,893
Analysis of present value of finance lease liabilities:				
- Not later than 1 year	26,585	30,243	397	272
- More than 1 year and less than 5 years	5,397	37,864	1,311	1,514
- More than 5 years	-	306	-	107
	31,982	68,413	1,708	1,893

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
<u>Trade payables:</u>				
Third parties	67,055	29,924	–	–
Trade related accruals (Note (i))	90,396	79,699	–	–
	157,451	109,623	–	–
<u>Other payables:</u>				
Other related accruals (Note (ii))	23,134	17,960	6,504	2,253
Statutory liabilities	2,566	2,397	346	249
	25,700	20,357	6,850	2,502
Total trade and other payables	183,151	129,980	6,850	2,502

Trade payables and other payables are non-interest bearing and have credit terms ranging from 30 days to 60 days (2022: 30 days to 60 days).

Note

- (i) Trade related accruals are accrual balances pertaining to project cost accrual such as tools, equipment and consumables provision, logistic related charges, offshore related services (marine, manpower, subcontractor) and others.
- (ii) Included in other related accruals, there was RM3.3 million (2022: Nil) arising from the accruals for purchases of dry docking assets for a vessel.

31 AMOUNTS DUE FROM AN ASSOCIATE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current asset				
Amount due from an associate	–	60	–	60

The amount due from an associate was pertaining to deposits pledged for a bank guarantee issued to PETRONAS under the terms of Small Field Risk Service Contract which had expired on 28 June 2020.

32 SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) Significant related party transactions

	Type	Place of Incorporation	Ownership 2023	Ownership 2022
Shorefield Resources Sdn Bhd	Affiliate company	Malaysia	29.61%	29.61%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

32 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant related party transactions (continued)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the financial year:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Transactions with Shorefield Resources Sdn Bhd :				
- Rental paid	(1,285)	(1,285)	(464)	(464)
Dividend income from subsidiaries (non-cash)				
- Petra Energy Development Sdn Bhd	–	–	(40,000)*	(18,000)*
- Petra Resources Sdn Bhd	–	–	(20,000)*	–

* These dividends are settled within the inter-company balances.

(b) Key management compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Group and the Company include all the Directors of the Company and employees of the Group who make certain critical decisions in relation to the strategic direction of the Group consists of Group Chief Financial Officer and respective Head of Departments and subsidiaries. The details of remuneration received and receivable by key management of the Group and the Company during the financial year are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	7,040	6,700	5,267	4,246
Defined contribution plan	1,033	918	790	618
Other employee benefits	1,273	954	1,020	684
Fees and emoluments	694	575	694	575
	10,040	9,147	7,771	6,123

Included in the above is the Executive and Non-Executive Directors' compensation which is disclosed in Note 10 to the financial statements.

33 COMMITMENTS

(a) Capital commitments

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment:				
Approved but not contracted for	126,400	107,300	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

34 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of current financial assets, non-current financial assets, current financial liabilities and non-current liabilities approximates their fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

35 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at amortised cost</u>				
Trade and other receivables (excluding prepayments)	54,100	23,247	1,300	1,290
Amounts due from subsidiaries	–	–	43,257	3,063
Amount due from an associate	–	60	–	60
Cash and bank balances	224,973	184,824	13,565	5,092
	279,073	208,131	58,122	9,505
<u>Financial liabilities at amortised cost</u>				
Trade and other payables (excluding statutory liabilities)	180,585	127,583	6,504	2,253
Borrowings	25,529	36,860	–	–
	206,114	164,443	6,504	2,253

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risk, including foreign currency exchange risk, interest rate risk, credit risk, liquidity and cash flow risk arising in the normal course of the Group's businesses. The Directors monitor the Group's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group.

The Directors review and agree on policies for managing each of these risks and they are summarised below:

(a) Foreign currency exchange risk

The Group and the Company are exposed to foreign exchange currency risk primarily through sales, purchases and advances that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk are primarily US Dollar ("USD") and British Pound ("GBP").

The Group and the Company's exposure to foreign currency risk, denominated in USD and GBP, based on carrying amount as at the end of reporting period was:

	Group	
	2023	2022
	RM'000	RM'000
<u>USD</u>		
Trade receivables	19,287	291
Other receivables	1,282	155
Cash and cash equivalents	59	57
Trade payable	(106)	(5)
	19,240	210
<u>GBP</u>		
Other receivable	4,324	291

With all other variables held constant, the following table demonstrates the sensitivity of the Group and the Company's profit after tax to a reasonably possible change in the GBP exchange rates against the functional currency of the Group and the Company.

	Profit/(Loss) before tax	
	Group	
	2023	2022
	RM'000	RM'000
USD/RM - strengthen 17% (2022: 18%)	3,345	38
- weaken 17% (2022: 18%)	(3,345)	(38)
GBP/RM - strengthen 23% (2022: 19%)	1,005	55
- weaken 23% (2022: 19%)	(1,005)	(55)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate.

The Group's income and operating cash flows' exposure to changes in interest rate risk relates primarily to the Group's bank borrowings, certain payables and deposits placed with licensed banks and financial institutions.

As at reporting date, 100% (2022: 100%) of the Group's borrowings carry floating interest rates. As such, the Group's profit and loss and operating cash flows are therefore influenced by changes in market interest rate.

At the reporting date, if interest rates had been 10 basis points lower/higher, with all variables held constant, the Group's profit after tax would have been RM50,752 (2022: RM76,310) higher/lower, arising mainly as a result of lower/higher interest expense from floating rate loans.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The following table sets out the carrying amounts, the weighted average effective interest rate ("WAEIR") as at the reporting date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risks:

	Note	WAEIR %	1 year or less RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>Group</u>						
<u>At 31 December 2023</u>						
<u>Financial assets</u>						
Short term deposits with licensed banks	24	3.43%	76,099	–	–	76,099
<u>Financial liabilities</u>						
Invoice financing	28	5.88%	25,529	–	–	25,529
<u>Group</u>						
<u>At 31 December 2022</u>						
<u>Financial assets</u>						
Short term deposits with licensed banks	24	2.35%	113,171	–	–	113,171
<u>Financial liabilities</u>						
Invoice financing	28	4.37%	36,860	–	–	36,860

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

(i) Receivables and other financial assets

The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risks by setting appropriate credit terms and limits for customers and ensuring that sales are made to customers with good credit assessments.

The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The group applies the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets to measure the expected credit losses ("ECL"), trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The provision for impairment represents the Group's estimate of losses in respect of trade debtors. The allowance related to credit risk for significant trade debtors is built on specific expected loss components that relate to individual exposures. The Group categorises its customers between National and International Oil companies and other private oil and gas customers. The Group uses a historical credit loss experience, coupled with known changes in credit risk to determine an expected credit loss rate to individually large customers.

On that basis, for the contract assets, the Group assessed that the credit risk exposure is minimal as the contract assets are solely related to a national oil company, ie. Petronas Carigali Sdn Bhd ("PCSB") and there has been no history of impairment or contract assets to be written off with PCSB.

For trade receivables and amount due from JV partner, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows:

Trade Receivable-2023

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Expected loss rate %	Net RM'000	Total impaired RM'000
<u>31 December 2023</u>						
<u>Group</u>						
Current, more than 30 days	48,402	683	–	1.4%	47,719	683
31 to 60 days past due	3,150	37	–	1.2%	3,113	37
60 to 90 days past due	590	27	–	4.6%	563	27
91 to 120 days past due	204	62	–	5.0%	142	62
More than 120 days past due	3,286	3,286	–	100.00%	–	3,286
	55,632	4,095	–		51,537	4,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(i) Receivables and other financial assets (continued)

Trade Receivable-2023 (continued)

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Expected loss rate %	Net RM'000	Total impaired RM'000
<u>31 December 2022</u>						
<u>Group</u>						
Current, more than 30 days	17,479	369	–	2.1%	17,110	369
31 to 60 days past due	802	37	–	4.6%	765	37
60 to 90 days past due	154	12	–	7.8%	142	12
91 to 120 days past due	95	61	–	8.0%	34	61
More than 120 days past due	3,482	3,482	–	100.00%	–	3,482
	22,012	3,961	–		18,051	3,961

Amount due from JV Partner

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Expected loss rate %	Net RM'000	Total impaired RM'000
<u>31 December 2023</u>						
<u>Group</u>						
Current, more than 30 days	24,262	–	–	–	24,262	–

Trade and other receivable-2022

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Expected loss rate %	Net RM'000	Total impaired RM'000
<u>31 December 2022</u>						
<u>Group</u>						
Current, more than 30 days	3,407	–	–	–	3,407	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Credit risk concentration

As at 31 December 2023, the Group has significant concentration of credit risk in the form of outstanding balance due from one customer (2022: one) which is major player in the oil and gas industry, representing approximately 84% (2022: 95%) of the Group's total net trade receivables and contract assets.

(d) Liquidity and cash flow risk

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating and investing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management, must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

The Group also depends on available credit lines to meet its liquidity requirements while ensuring an effective working capital management as disclosed in Note 28.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Contractual undiscounted cash flows						
	Note	Carrying value RM'000	Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>Group</u>						
<u>At 31 December 2023</u>						
Financial liabilities:						
Trade and other payables (excluding statutory liabilities)	30	180,585	180,585	–	–	180,585
Borrowings	28	25,529	27,943	–	–	27,943
Lease liabilities	29	31,982	27,388	5,886	–	33,274
		238,096	235,916	5,886	–	241,802
<u>At 31 December 2022</u>						
Financial liabilities:						
Trade and other payables (excluding statutory liabilities)	30	127,583	127,583	–	–	127,583
Borrowings	28	36,860	37,838	–	–	37,838
Lease liabilities	29	68,413	42,295	29,792	307	72,394
		232,856	207,716	26,792	307	237,815

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

Contractual undiscounted cash flows						
	Note	Carrying value RM'000	Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>Company</u>						
<u>At 31 December 2023</u>						
Financial liabilities						
Trade and other payables (excluding statutory liabilities)	30	6,504	6,504	–	–	6,504
<u>At 31 December 2022</u>						
Financial liabilities						
Trade and other payables (excluding statutory liabilities)	30	2,253	2,253	–	–	2,253

(e) Capital management

The Group's and Company's primary objectives in managing capital are to maximise the Group's and the Company's value by optimising their capital structure and enhancing capital efficiency while maintaining a sufficient level of liquidity. In order to maintain the capital structure, the Company may adjust dividends paid to shareholders, issue new shares or sell its assets. The Group and the Company managed shareholders' fund as capital.

As required by the terms of the borrowing by a subsidiary, the Group needs to cap its leverage ratio at or below 1.5 times. Gearing ratio is derived by dividing total debts by total shareholders' fund. Total debts are the sum of all borrowings excluding lease liabilities and the shareholders' fund includes equity attributable to owners of the Group, as disclosed in the consolidated statements of financial position.

The gearing ratio is as follows:

	Group	
	2023 RM'000	2022 RM'000
Total borrowings (Note 28)	25,529	36,860
Total equity	407,954	387,328
Gearing ratio (times)	0.06	0.10

No changes were made in the objectives, policies or processes in regard to the Group's and Company's management of their capital structure during the financial years ended 31 December 2023 and 31 December 2022.

The borrowings of the Group are subject to the bank's covenants, which include liquidity and solvency ratios, for which the Group have complied with.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

37 SEGMENT INFORMATION

Segment information is presented in respect of the Group's segmentation of core activities. The segment information results are prepared based on the Group's management reporting structure.

Definition of the Group's segments are as follows:

(a) Services Segment

Encapsulates the Group's core activities in the area of providing services such as Hook-up Commissioning, Topside Major Maintenance, vessels management and time chartering, fabrication, subsea and underwater, as well as trading and engineering services.

(b) Marine Assets Segment

Comprise of subsidiaries which own the Group's marine assets and hold license to carry on leasing business. Major business activity is bareboat chartering of vessel internally within the Group and to third party vessel management companies.

(c) Exploration, Development and Production Segment

On 15 June 2021, the Group was awarded with Petroleum Contract relating to Exploration, Development and Production of Petroleum in Block SK433, Onshore Sarawak as the Operator. Total duration of the Contract is twenty-nine (29) years.

	Services	Marine	Exploration, Development and Production	Elimination	Total
	RM'000	Assets RM'000	RM'000	RM'000	RM'000
2023					
Revenue:					
External customers	348,494	205,038	–	–	553,532
Inter-segment	17,552	156,032	–	(173,584)	–
Total revenue	366,046	361,070	–	(173,584)	553,532
Results:					
Finance income	3,031	66	–	–	3,097
Depreciation:					
- Property, plant and equipment	(2,830)	(21,977)	–	–	(24,807)
- Right-of-useful assets	(39,926)	–	–	–	(39,926)
Impairment of property, plant and equipment	–	(13,895)	–	–	(13,895)
Finance costs	(6,718)	(15)	–	–	(6,733)
Share of result of associate	(8)	–	–	–	(8)
Segment profit/(loss)	39,700	48,950	–	(23,877)	64,773

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

37 SEGMENT INFORMATION (CONTINUED)

(c) Exploration, Development and Production Segment (continued)

On 15 June 2021, the Group was awarded with Petroleum Contract relating to Exploration, Development and Production of Petroleum in Block SK433, Onshore Sarawak as the Operator. Total duration of the Contract is twenty-nine (29) years. (continued)

	Services RM'000	Marine Assets RM'000	Exploration, Development and Production RM'000	Elimination RM'000	Total RM'000
<u>2023 (continued)</u>					
<u>Assets and liabilities</u>					
Investment in an associate/joint venture	473	–	–	–	473
Additions to non-current assets:					
- Property, plant and equipment	4,884	15,896	–	–	20,780
- Right-of-useful assets	3,108	–	–	–	3,108
- Exploration and evaluation assets	–	–	62,984	–	62,984
Segment assets	1,214,822	384,989	70,497	(993,942)	676,366
Segment liabilities	(495,906)	(160,106)	–	387,600	(268,412)
<u>2022</u>					
Revenue:					
External customers	272,026	98,698	–	–	370,724
Inter-segment	7,279	104,516	–	(111,795)	–
Total revenue	279,305	203,214	–	(111,795)	370,724
Results:					
Finance income	2,595	–	–	–	2,595
Depreciation:					
- Property, plant and equipment	(2,620)	(20,888)	–	–	(23,508)
- Right-of-useful assets	(24,360)	–	–	1,251	(23,109)
Finance costs	(2,441)	(16)	–	92	(2,365)
Share of result of associate	(420)	–	–	–	(420)
Segment profit/(loss)	34,778	(5,458)	–	(16,244)	13,076

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

37 SEGMENT INFORMATION (CONTINUED)

(c) Exploration, Development and Production Segment (continued)

On 15 June 2021, the Group was awarded with Petroleum Contract relating to Exploration, Development and Production of Petroleum in Block SK433, Onshore Sarawak as the Operator. Total duration of the Contract is twenty-nine (29) years. (continued)

	Services RM'000	Marine Assets RM'000	Exploration, Development and Production RM'000	Elimination RM'000	Total RM'000
<u>2022 (continued)</u>					
<u>Assets and liabilities</u>					
Investment in an associate/joint venture	3,331	–	–	–	3,331
Additions to non-current assets:					
- Property, plant and equipment	1,311	23,629	–	–	24,940
- Right-of-useful assets	71,402	–	–	–	71,402
- Exploration and evaluation assets	–	–	5,491	–	5,491
Segment assets	1,239,638	475,543	7,513	(1,090,665)	630,007
Segment liabilities	(482,153)	(351,234)	–	590,708	(242,679)

Geographical information

No geographical segmental reporting has been prepared as the Group's activities involve only one geographical segment, i.e. Malaysia.

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Group	
	2023 RM'000	2022 RM'000
<u>Services segment</u>		
Customer A	307,434	228,183
Customer B	–	15,710
	307,434	243,893
<u>Marine assets segment</u>		
Customer A	96,930	105,760

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

38 DIVIDENDS

The amount of dividends paid or declared by the Company since the end of previous financial year was as follows:

	RM'000
Interim tax exempt (single-tier) dividends of 2.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2022, declared on 21 November 2022 and paid on 20 January 2023	6,419
Interim tax exempt (single-tier) dividends of 3.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2022, declared on 22 February 2023 and paid on 27 April 2023	9,629
Interim tax exempt (single-tier) dividends of 3.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2023, declared on 24 November 2023 and paid on 19 January 2024	9,629
Special tax exempt (single-tier) dividends of 4.0 sen per ordinary share of 50 sen each, on 320,942,200 ordinary shares for the financial year ended 31 December 2023, declared on 15 December 2023 and paid on 14 February 2024	12,838

On 22 February 2024, the Directors declared a single tier interim dividends of 4.0 sen per ordinary shares of 50 sen each for the financial year ended 31 December 2023 amounting to RM12,838,000 and paid on 29 March 2024.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 17 April 2024.

LIST OF PROPERTIES

Address	Description	Status	Remaining Lease Period/ years	Date of Acquisition	Age/ Years	NBV (RM'000)
Petra Resources Sdn. Bhd. Lot 2000, Block 4, Miri Concession Land District, Piasau Industrial Estate, 98000 Miri, Sarawak	Workshop	Leasehold	19	18/07/2000	32	904
Petra Resources Sdn. Bhd. Lot 1991, Block 4, Miri Concession Land District, Piasau Industrial Estate, 98000 Miri, Sarawak	Workshop	Leasehold	19	18/07/2000	32	539
Petra Resources Sdn. Bhd. Lot 205312634 and Lot 205312590, at Kampung Sungai Keling, Wilayah Persekutuan Labuan	Fabrication Yard (Approximately 0.2064 and 2.0882 hectares respectively)	Leasehold	963	13/02/2012	32	13,877

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 4 APRIL 2024

Total Number of Issued Shares : 320,942,200 (excluding 807,800 Treasury Shares)

Class of Securities : Ordinary Share

Total Number of Holders : 3,859

Voting Rights : One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1-99	495	12.83	6,889	0.00
100-1,000	1,008	26.12	525,892	0.16
1,001-10,000	1,630	42.24	8,112,321	2.53
10,001-100,000	626	16.22	19,878,049	6.19
100,001-16,047,109 (*)	96	2.49	55,792,937	17.38
16,047,110 and above (**)	4	0.10	236,626,112	73.73
TOTAL	3,859	100.00	320,942,200	100.00

Remarks:

* Less than 5% of Issued Shares

** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The names of the substantial shareholders of Petra Energy Bhd. and their respective shareholdings as at 4 April 2024 are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Shorefield Resources Sdn. Bhd.	96,718,500	30.14	-	-
Wasco Energy Ltd.	86,550,000	26.97	-	-
Dato' Mohamed Nizam bin Abdul Razak	29,250,000	9.11	-	-
Urusharta Jamaah Sdn. Bhd.	24,107,612	7.51	-	-
Shorefield Sdn. Bhd.	-	-	96,718,500 ^(a)	30.14
OBYU Holdings Sdn. Bhd.	-	-	96,718,500 ^(a)	30.14
Tan Sri Bustari bin Yusuf	-	-	96,718,500 ^(a)	30.14
Wah Seong Corporation Berhad	-	-	86,550,000 ^(b)	26.97
Wah Seong (Malaya) Trading Co. Sdn. Bhd.	-	-	86,550,000 ^(c)	26.97
Tan Kim Yeow Sendirian Berhad	-	-	86,550,000 ^(d)	26.97
Tony Tan @ Choon Keat	-	-	86,550,000 ^(d)	26.97
Tan Chin Nam Sdn. Bhd.	-	-	86,550,000 ^(d)	26.97
Midvest Asia Sdn. Bhd.	-	-	86,550,000 ^(d)	26.97
Robert Tan Chung Meng	-	-	86,550,000 ^(d)	26.97
Chan Cheu Leong	-	-	86,550,000 ^(d)	26.97
Pauline Tan Suat Ming	-	-	86,550,000 ^(d)	26.97

Notes:

- Deemed interested by virtue of their interests in Shorefield Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("Act").
- Deemed interested by virtue of its direct interest in Wasco Energy Ltd pursuant to Section 8 of the Act.
- Deemed interested by virtue of its direct interest in Wah Seong Corporation Berhad pursuant to Section 8 of the Act.
- Deemed interested by virtue of their respective indirect interests in Wah Seong Corporation Berhad pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of Petra Energy Berhad based on the Register of Directors' Shareholdings of the Company as at 4 April 2024 are as follows:

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	-	-	-	-
Ng Ing Peng	-	-	-	-
Gian Carlo Maccagno	-	-	-	-
Dato' Anthony @ Firdauz bin Bujang	-	-	-	-
Dato Ahmadi bin Yusoff	-	-	-	-
Simon Ong	-	-	-	-
Zuhaida binti Zulkifli	-	-	-	-

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name of Shareholders	No. of Shares Held	(%)
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHOREFIELD RESOURCES SDN.BHD.	96,718,500	30.14
2.	WASCO ENERGY LTD	86,550,000	26.97
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MOHAMED NIZAM BIN ABDUL RAZAK	29,250,000	9.11
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	24,107,612	7.51
5.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD	7,225,000	2.25
6.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAFUANI BIN ABDUL HAMID	4,783,400	1.49
7.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE	4,584,150	1.43
8.	YOW KING HONG	3,050,000	0.95
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG BOON HOCK	2,992,900	0.93
10.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY	2,130,000	0.66
11.	TAI HEE	2,050,100	0.64
12.	YONG KONG SIM	1,781,400	0.56
13.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY	1,600,000	0.50
14.	KONG KOK CHOY	1,450,000	0.45
15.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR IBRAHIM BIN BAKI	1,436,100	0.45

ANALYSIS OF SHAREHOLDINGS

No.	Name of Shareholders	No. of Shares Held	(%)
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SIE TONG @ LEE AH TONG	1,260,000	0.39
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR WONG AH KUM	1,200,000	0.37
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD WONG CHOY FONG	849,600	0.26
19.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD.	825,000	0.26
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KAF ISLAMIC DIVIDEND INCOME FUND	823,700	0.26
21.	HO FOOK SENG @ HO POCK SENG	610,000	0.19
22.	WONG AH KUM	600,000	0.19
23.	HSBC NOMINEES (ASING) SDN BHD (MORGAN STANLEY & CO. INTERNATIONAL PLC)	535,900	0.17
24.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN	500,000	0.16
25.	NADZLEY BINTI NOORDIN	500,000	0.16
26.	TEAKA @ TEKVINDER SINGH	500,000	0.16
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY	430,000	0.13
28.	GAN KOK KENG	427,000	0.13
29.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD	419,100	0.13
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SHAHRIL BIN SHAMSUDDIN	390,000	0.12

FORM OF PROXY

CDS Account No.	
No. of shares held	
Telephone No.	
Email Address	



PETRA

PETRA ENERGY BHD.

[Registration No. 200501036241 (718388-H)]
(Incorporated in Malaysia)

*I/We (full name), _____

bearing *NRIC No./Passport No./Company No. _____

being a member of Petra Energy Bhd. ("**the Company**") hereby appoint:-

First Proxy "A"

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

*and

*Second Proxy "B"

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			
			100%

* or the Chairman of the Meeting as *my/our proxy, to vote for *me/us on *my/our behalf at the Eighteenth Annual General Meeting ("**AGM**") of the Company, to be held on a virtual basis at the Broadcast Venue at Lavender Room, Level C, One World Hotel, First Avenue, Lebuhraya Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 May 2024 at 11:00 a.m., and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion

No	Agenda	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon.		
2.	To approve the payment of Directors' fees payable to the Non-Executive Directors amounting to RM498,000.00 from 24 May 2024 until the next AGM of the Company (Resolution 1)		
3.	To approve the payment of Directors' benefits up to an amount of RM 66,200.00 from 24 May 2024 until the next AGM of the Company. (Resolution 2)		
4.	To re-elect Puan Zuhaida binti Zulkifli, who is due to retire in accordance with Clause 116 of the Company's Constitution and being eligible, had offered herself for re-election. (Resolution 3)		
5(a).	To re-elect Madam Ng Ing Peng, who is due to retire in accordance with Clause 117 of the Company's Constitution and being eligible, had offered herself for re-election. (Resolution 4)		
5(b).	To re-elect Mr. Gian Carlo Maccagno, who is due to retire in accordance with Clause 117 of the Company's Constitution and being eligible, had offered himself for re-election. (Resolution 5)		
6.	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 6)		
Special Business			
7.	Retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as an Independent Director (Resolution 7)		
8.	Authority to Issue Shares pursuant to the Companies Act 2016. (Resolution 8)		
9.	Proposed Renewal of Existing Shareholders Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. (Resolution 9)		
10.	Proposed Renewal of Authority for the Company to Purchase its Own Shares. (Resolution 10)		

* Strike out whichever is not applicable.

Dated this _____ day of _____ 2024

Signature of member _____

Common Seal to be affixed here if member is a corporation, if applicable

Notes:-

1. This Agenda item is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements and only requires the Audited Financial Statements to be laid at the Meeting. Therefore, this Agenda item is not put forward for voting.
2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 May 2024 shall be eligible to attend and vote at the Meeting.
3. A member entitled to attend and vote at the Meeting of the Company, shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. There shall be no restriction as to the qualification of the proxy. The proxy(ies) appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an Exempt Authorised Nominee which hold ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. The completed instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshsb.net.my/> before the submission cut-off time as mentioned above. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting for further details.

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**SHARE REGISTRAR
PETRA ENERGY BHD.
[Company Registration No. 200501036241 (718388-H)]**

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Malaysia

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