

PETROL ONE
RESOURCES BERHAD (Company No : 333769-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/09/2016 RM '000	PRECEDING YEAR QUARTER 30/09/2015 RM '000	CURRENT YEAR TO DATE 30/09/2016 RM '000	PRECEDING YEAR TO DATE 30/09/2015 RM '000
Revenue	2,904	2,455	2,904	2,455
Cost of sales	(1,097)	(963)	(1,097)	(963)
Gross profit	1,807	1,492	1,807	1,492
Other income				
- Others	2	14	2	14
- Unrealised foreign exchange gain	409	3,237	409	3,237
Administration expenses				
- Others	(1,384)	(1,051)	(1,384)	(1,051)
- Unrealised foreign exchange loss	-	-	-	-
Other operating expenses	-	-	-	-
Other operating income	-	-	-	-
Finance costs	(132)	(134)	(132)	(134)
Profit before tax	702	3,558	702	3,558
Income tax (expense)/benefit	-	(5)	-	(5)
Profit for the period attributable to owners of the Company	702	3,553	702	3,553
Other comprehensive loss:				
Foreign currency translation differences	2,759	(14,659)	2,759	(14,659)
Reversal of revaluation surplus	-	-	-	-
Total comprehensive loss attributable to owners of the Company	3,461	(11,106)	3,461	(11,106)
Profit/(Loss) per ordinary shares (sen) attributed to equity holders of the Company :				
Basic	1.38	6.99	1.38	6.99
Diluted	N/A	N/A	N/A	N/A

* Based on 50,804,845 ordinary shares

Dividends per share (sen) - - - -

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**PETROL ONE
RESOURCES BERHAD** (Company No : 333769-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

	AS AT 30/09/2016 RM '000	AS AT 30/06/2016 RM '000
ASSETS		
Non-current assets		
Plant and equipment	4,183	3,868
Current assets		
Trade and other receivables	11,799	9,988
Cash and bank balances	443	1,439
	<u>12,242</u>	<u>11,427</u>
TOTAL ASSETS	<u>16,425</u>	<u>15,295</u>
EQUITY AND LIABILITIES		
Share capital	50,805	50,805
Share premium	12,669	12,669
Reserve	(168,814)	(166,969)
Equity attributable to equity holders of the Company	<u>(105,340)</u>	<u>(103,495)</u>
Non-current liabilities		
Borrowings	-	-
Current liabilities		
Borrowings	56,579	55,091
Trade and other payables	61,745	60,237
Amount due to directors	3,422	3,422
Provision for taxation	19	40
	<u>121,765</u>	<u>118,790</u>
Total liabilities	<u>121,765</u>	<u>118,790</u>
TOTAL EQUITY AND LIABILITIES	<u>16,425</u>	<u>15,295</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>(2.0734)</u>	<u>(2.0371)</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial

**PETROL ONE
RESOURCES BERHAD** (Company No : 333769-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>(2.0734)</u>	<u>(2.0371)</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial

PETROL ONE
RESOURCES BERHAD (Company No : 333769-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	←----- Attributable to Equity Holders of the Company ----->				
	Non-distributable				
	Share Capital RM '000	Share Premium RM '000	Translation reserve RM '000	(Accumulated losses) RM '000	Total RM '000
At 1 July 2015	50,805	12,669	(18,447)	(143,919)	(98,892)
Foreign currency translation difference	-	-	(5,306)	-	(5,306)
Profit for the period	-	-	-	703	703
Total comprehensive loss	-	-	(5,306)	703	(4,603)
At 30 June 2016	50,805	12,669	(23,753)	(143,216)	(103,495)
At 1 July 2016	50,805	12,669	(23,753)	(143,216)	(103,495)
Foreign currency translation difference	-	-	(2,547)	-	(2,547)
Profit for the period	-	-	-	702	702
Total comprehensive loss	-	-	(2,547)	702	(1,845)
At 30 September 2016	50,805	12,669	(26,300)	(142,514)	(105,340)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	3 months ended	
	30/09/2016 RM '000	30/09/2015 RM '000
Cash flows from operating activities		
Profit before tax	702	3,558
Adjustment for :		
Depreciation	62	93
Interest expense	132	134
Unrealised foreign exchange gain - net	(409)	(3,237)
Operating profit/(loss) before changes in working capital	487	548
Trade and other receivables	(1,907)	(59)
Trade and other payables	725	665
Cash generated from operating activities	(695)	1,154
Income taxes paid	-	(20)
Net cash generated from operating activities	(695)	1,134
Cash flows from investing activities		
Acquisition of plant and equipment	(301)	(1)
Net cash used in investing activities	(301)	(1)
Cash flows from financing activities		
Repayment of finance lease liabilities	-	(2)
Net cash used in financing activities	-	(2)
Net increase in cash and cash equivalents	(996)	1,131
Cash and cash equivalents at beginning of financial period	1,439	80
Cash and cash equivalents at end of financial period	443	1,211

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

A1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These condensed interim financial statements also comply with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2016.

As at 30 September 2016, the current liabilities of the Group exceeded its current assets by RM109.523 million and the Group had a negative shareholder's equity of RM105.340 million.

As disclosed in the previous year's financial statements, Petrol One Resources Berhad ("PORB") and a subsidiary, Arus Dermaga Sdn Bhd ("ADSB") were unable to meet their loans obligations since January 2011 and March 2010, respectively. On 24 December 2013, PORB and ADSB entered into a debt settlement agreement ("DSA") with their respective lenders whereby the outstanding loan obligations will be settled in full by a cash payment of RM6.5 million. On 16 October 2014, PORB announced that it had agreed with its lenders to vary the terms of the DSA whereby the RM6.5 million will be settled (i) by the sale, by the lender, of the shares in the Company which have been pledged by a third party as security for the loan for a consideration amounting to RM3.040 million; and (ii) in cash for an amount of RM3.46 million. The variation was formalised in a supplementary settlement agreement ("SSA") on 21 November 2014. Please refer to part B7 for more details of the terms of the settlement.

On 30 August 2012, PORB announced that it had been classified as an affected listed issuer pursuant to Paragraph 2.1(a) of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia. The PN17 criteria was triggered as a result of the shareholders' equity of PORB on a consolidated basis is less than 25% of its issued and paid-up capital (excluding treasury shares) and was less than RM40 million.

On 15 November 2013, PORB made its Requisite Announcement whereby it proposed to undertake a two (2) pronged approach, comprising the Group's business turnaround strategy ("Business Regularisation Strategy") and the Proposed Regularisation Plan to address its PN17 issues. The Proposed Regularisation Plan comprises the following: (i) Proposed Capital Reduction, (ii) Proposed Share Premium Reduction, (iii) Proposed Private Placement, (iv) Proposed Rights Issue with Warrants, (v) Proposed Scheme of Arrangement, and (vi) Proposed Amendment. The Proposed Regularisation Plan was submitted to Bursa Malaysia on 28 March 2014 and the relevant announcement was made on the same day. On 21 January 2015, PORB submitted an application to Bursa Malaysia to vary certain terms of the Proposed Regularisation Plan. An announcement was made on 21 January 2015 incorporating the details of the variations. The Proposed Regularisation Plan of the Company was approved by Bursa Malaysia vide a letter dated 14 August 2015, subject to certain terms and conditions. An announcement was made on 14 August 2015 incorporating details of the approval.

PORB and its wholly owned indirect subsidiaries, ADSB and One Petroleum (L) Ltd ("OPLL") were granted an order by the High Court of Malaya to hold a meeting with their scheme creditors pursuant to Section 176(1) of the Companies Act 1965. The Court Convened Meetings for approving the proposed scheme of arrangement ("the Scheme") were held on 7 July 2014. At the Court Convened Meetings, a majority in number and more than 75% in value of the scheme creditors who were present voted in approval of the Scheme. The Scheme was approved by the High Court of Malaya on 15 August 2014 and is binding until it is approved by a majority of the members of the respective companies at their members' meetings.

The interim financial information has been prepared on the historical cost basis and on the assumption that the Group is a going concern.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

In view of the matters set out above, there are material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern. The going concern assumption is dependent upon the implementation of the Regularisation Plan, and the ability of the Group to continue to attain profitable operations. In the event that these are not successfully implemented, the Group may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the interim financial information may require adjustments relating to the recoverability and classification of recorded assets and to additional amount and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

A2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the Company for the financial year ended 30 June 2016 contained a disclaimer of opinion by the Company's auditors, Messrs. Baker Tilly Monteiro Heng. The basis of the disclaimer is stated as below:-

"Basis for Disclaimer of Opinion

1. As disclosed in Note 2.2, the financial statements have been prepared on the historical cost basis and on the assumption that the Group and the Company are going concerns. As at 30 June 2016, the Group recorded net current liabilities of RM107,363,141 and capital deficiency of RM103,495,357. The Group and the Company have also recorded accumulated losses of RM143,216,535 and RM5,802,766 respectively.

The Company and its wholly-owned indirect subsidiary, Arus Dermaga Sdn. Bhd. ("ADSB"), were unable to meet their loan obligations since January 2011 and March 2010, respectively.

On 30 August 2012, the Company announced that it had been classified as an affected listed issuer pursuant to Paragraph 2.1 (a) of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

On 15 November 2013, the Company proposed to undertake a two (2) pronged approach, comprising the Group's business turnaround strategy ("Business Regularisation Strategy") and the Proposed Regularisation Plan to address its PN17 issues. The Proposed Regularisation Plan comprises the following: (i) Proposed Capital Reduction, (ii) Proposed Share Premium Reduction, (iii) Proposed Private Placement, (iv) Proposed Rights Issue with Warrants, (v) Proposed Scheme of Arrangement, and (vi) Proposed Amendment to Memorandum and/or Articles of Association. A further announcement was made on 21 January 2015 incorporating details of variations to the Proposed Regularisation Plan. On 14 August 2015, Bursa Malaysia approved the Proposed Regularisation Plan subject to certain terms and conditions.

On 24 December 2013, the Company and ADSB entered into a debt settlement agreement ("DSA") with their respective lenders whereby the outstanding loan obligations will be settled in full by a cash payment of RM6,500,000.

The Company, and its wholly-owned indirect subsidiaries, ADSB and One Petroleum (L) Ltd ("OPLL") were granted an order by the High Court of Malaya to hold a meeting with their scheme creditors pursuant to Section 176(1) of the Companies Act 1965. The Court Convened Meetings for approving the proposed scheme of arrangement ("the Scheme") were held on 7 July 2014. At the Court Convened Meetings, a majority in number and more than 75% in value of the scheme creditors who were present voted in approval of the Scheme. The Scheme was approved by the High Court of Malaya on 15 August 2014 and is binding until it is approved by a majority of the members of the respective companies at their members' meetings. As at the end of the financial year, the Group has not recorded the effect of the waiver of debt pending the completion of the Scheme.

On 16 October 2014, the Company announced that it had agreed with its lenders to vary the terms of the DSA whereby the RM6,500,000 will be settled (i) by the sale, by the lender, of the shares in the Company which have been pledged by a third party as security for the loan for a consideration amounting to RM3,040,000; and (ii) in cash for an amount of RM3,460,000. The variation was formalised in a supplementary settlement agreement ("SSA") on 21 November 2014. On the same date, the total sum of RM6,500,000 was paid to the lenders under the terms of the SSA. The Group and the Company, however, have not recorded the effect of the waiver of the debt pending the completion of the disposal of the pledged shares.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

Basis for Disclaimer of Opinion (Continued)

In view of the matters set out above, there are material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

The going concern assumption is highly dependent upon the shareholders' approving the Regularisation Plan and its successful implementation, the settlement of the defaulted debts, and the ability of the Group and the Company to attain profitable operations to generate sufficient cash flows to fulfil their obligations as and when they fall due. In the event that these are not accomplished, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and to additional amount and classification of liabilities that may be necessary should the Group and Company be unable to continue as going concerns.

2. As disclosed in Note 5.1 included in plant and equipment of the Group is an item of marine equipment of USD623,638 (equivalent to RM2,508,582) which has not been in use since the disposal of the vessel owned by a subsidiary, One Petroleum (L) Limited. We were unable to obtain sufficient appropriate audit evidence to support the aforesaid carrying value of the item of marine equipment.
3. As disclosed in Note 6 and Note 7, the carrying value of investments in subsidiaries and amount due from subsidiaries in the books of the Company, amounted to RM939,177 and RM66,364,128, respectively. The projections of future cash flows prepared by the management to support the aforesaid carrying value of investments in subsidiaries and amount due from subsidiaries are based on the assumptions that the Proposed Regularisation Plan have been implemented. Consequently, we are unable to ascertain the appropriateness of the carrying value of investments in subsidiaries and amount due from subsidiaries in the books of the Company.
4. The matters stated above were unresolved since the preceding financial year and formed the basis for disclaimer of opinion on the financial statements of the Group and Company for the financial year ended 30 June 2015. We were unable to determine whether adjustments to results of operations and opening accumulated losses might be necessary. Our opinion on the current year's financial statements is also modified because of the possible effects of these matters on the comparability of the current financial year's figures and corresponding figure.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the financial statements."

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

A3. SEGMENTAL INFORMATION

The revenue of the Group was contributed by its subsidiaries who are principally engaged in the provision of Advisory Services that include technical and commercial management services, Chartering Activity and in the provision of Storage Management in the Oil and Gas industry. The technical services include assisting in the arrangement of and supervision of mooring and unmooring procedures, as well as ship to ship transfer operations for the cargo stored on vessels. Commercial management services include assisting and arranging for safe location for the vessels, advising on voyage estimates, as well as assisting and advising to ensure the manning of the vessel complies with the appropriate requirements of the relevant laws.

The Group ventured into the provision of Land Storage Management. The Land Storage Management commenced operations in April 2016. The terminal in which the Group manages is located at Westport, Port Klang.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	QUARTER	QUARTER	CURRENT YEAR TO DATE	CURRENT YEAR
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Oil & Gas:-				
Chartering activity	966	1,058	966	1,058
Advisory Services	1,398	1,397	1,398	1,397
Storage Management	540	-	540	-
Others	-	-	-	-
	<u>2,904</u>	<u>2,455</u>	<u>2,904</u>	<u>2,455</u>

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	QUARTER	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
Segment Results				
Oil & Gas	800	406	800	406
Others	(98)	3147	(98)	3147
	<u>702</u>	<u>3553</u>	<u>702</u>	<u>3553</u>

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the current financial quarter under review.

A6. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected by any significant seasonal or cyclical factors in the current financial quarter under review.

A7. DIVIDENDS PAID

There were no dividends paid during the current financial quarter under review.

A8. DEBT AND EQUITY SECURITIES

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the current financial quarter under review.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

A9. CAPITAL COMMITMENTS

There were no changes in capital commitments since the previous annual financial statements as at 30 June 2015.

A10. CHANGES IN CONTINGENT LIABILITIES

The contingent liabilities of PORB are as follows:

	As at 30/09/2016 RM'000
Corporate guarantee given to secure banking facilities for a subsidiary	<u>52,543</u>

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter under review.

A12. SUBSEQUENT MATERIAL EVENTS

Subsequent to the end of the period under review the following material event occurred:-

On 21 November 2016, the Company received a letter dated 18 November 2016 from RHB Investment which confirms the following:-

1. Pursuant to the terms set out in the SSA, RHB Investment Bank Berhad will proceed to utilise the Retention Sum together with interest earned towards payment of the balance Settlement Sum following the expiry of a period of twenty four (24) months from the date of the SSA of 21 November 2014.
2. Notwithstanding the above, RHB Investment Bank Berhad has no objection to facilitate the Disposal of the Pledged Shares in accordance with the terms of the SSA.

A13. PROPERTY, PLANT AND EQUIPMENT VALUATION

The Group did not revalue any of its property, plant and equipment during the current financial quarter under Review.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

B1. REVIEW OF PERFORMANCE

The Group registered revenue of approximately RM2.904 million for the current quarter ended 30 September 2016 as compared to approximately RM2.455 million in the preceding year's quarter. The higher revenue for the current quarter when comparing to the preceding year's similar quarter is due to new services in relation to land storage management provided by one of its subsidiaries. The provision of storage management started with effect from April 2016.

The Group posted a profit before tax of approximately RM0.702 million for the current quarter ended 30 September 2016 as compared to a profit before tax of approximately RM3.558million in the corresponding quarter of the preceding year. An unrealized foreign exchange gain amounting to RM3.237million in the corresponding quarter of the preceding year accounted for the higher gain before tax in the preceding year's corresponding quarter.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group registered revenue of approximately RM2.904 million for the current quarter ended 30 September 2016 which is slightly lower as compared to approximately RM3.182 million achieved in the preceding quarter, due mainly to the lower average USD rate against the Ringgit Malaysia. Notwithstanding, gross profit as a percentage of sales improved to 62.2% in the current quarter as compared to 48.8% achieved in the preceding quarter due to lower cost of sales, the result of cost control measures implemented by the Group.

The Group posted a gain before tax of approximately RM0.702 million for the current quarter ended 30 September 2016 as compared to the immediate preceding quarter's loss before tax of RM1.306 million. The losses in the previous quarter was due mainly to the non-recurring provision for doubtful debts amounting to RM1.468million for one of the subsidiary's debts in the area of advisory, and also non-recurring professional fee incurred in respect of the Company's corporate restructuring work.

B3. COMMENTARY ON PROSPECTS

Notwithstanding the prospects of the oil and gas industry, the Board is optimistic of that demand for storage for oil and related products as well as related services, such as the provision of safety standby vessel services, remains positive in the coming quarter.

B4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued for the current financial quarter under review for the computation of variance.

B5. TAXATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER		CURRENT YEAR TO DATE	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current year	-	5	-	5
- Prior year	-	-	-	-
	-	5	-	5
Deferred tax				
- origination and reversal of temporary differences	-	-	-	-
Total	-	5	-	5

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

B6. STATUS OF CORPORATE PROPOSAL

Save as disclosed below, there are no other corporate proposals announced but pending completion by the Company as at the date of this announcement:-

- On 15 November 2013, the Company made its Requisite Announcement whereby PORB proposed to undertake a two (2) pronged approach, comprising the Group's Business Regularisation Strategy and the Proposed Regularisation Plan to address its PNI7 issues. The Proposed Regularisation Plan comprises the following: (i) Proposed Capital Reduction, (ii) Proposed Share Premium Reduction, (iii) Proposed Private Placement, (iv) Proposed Rights Issue with Warrants, (v) Proposed Scheme of Arrangement, and (vi) Proposed Amendment. The Proposed Regularisation Plan was submitted to Bursa Malaysia on 28 March 2014 and the relevant announcement was made on the same day. On 21 January 2015, PORB submitted an application to Bursa Malaysia to vary certain terms of the Proposed Regularisation Plan. An announcement was made on 21 January 2015 incorporating the details of the variations. The Proposed Regularisation Plan of the Company was approved by Bursa Malaysia vide a letter dated 14 August 2015, subject to certain terms and conditions. An announcement was made on 14 August 2015 incorporating details of the approval. On 28 July 2016, the Company submitted an application for an extension of time of 6 months from 13 August 2016 to 12 February 2017 to complete the implementation of the Proposed Regularisation Plan. The Company is awaiting Bursa Malaysia's reply on the application of extension of time.
- PORB and its wholly-owned indirect subsidiaries, ADSB and OPLL were granted an order by the High Court of Malaya to hold a meeting with their scheme creditors pursuant to Section 176(1) of the Companies Act 1965. The Court Convened Meetings for approving the Scheme were held on 7 July 2014. At the Court Convened Meetings, a majority in number and more than 75% in value of the scheme creditors who were present voted in approval of the Scheme. The Scheme was approved by the High Court of Malaya on 15 August 2014 and is binding until it is approved by a majority of the members of the respective companies at their members' meetings.

B7. GROUP BORROWINGS

	As at 30/09/2016 RM'000	In foreign Currency
Short term borrowings:		
<u>Secured</u>		
Denominated in Ringgit Malaysia		
Term loan	4,036	-
Finance lease liabilities	11	-
Denominated in US Dollar		
Term loan	52,543	12,130
<u>Unsecured</u>		
Denominated in Ringgit Malaysia		
Term loan	2,250	-
Long term borrowings:		
<u>Secured</u>		
Denominated in Ringgit Malaysia		
Finance lease liabilities	-	-
Total borrowings	58,840	

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

PORB and ADSB were unable to meet their loans obligations since January 2011 and March 2010, respectively. On 24 December 2013, PORB and ADSB entered into a DSA with their respective lenders whereby the outstanding loan obligations will be settled in full by a cash payment of RM6.5 million. On 16 October 2014, PORB announced that it had agreed with its lenders to vary the terms of the DSA whereby the RM6.5 million will be settled (i) by the sale, by the lender, of the shares in the Company which have been pledged by a third party as security for the loan for a consideration amounting to RM3.040 million; and (ii) in cash for an amount of RM3.46 million. The variation was formalised in a SSA on 21 November 2014.

As at the date of 21 November 2014, the total sum of RM6.5 million was paid to RIBB. The Group and the Company however, has not recorded the effect of the waiver of the debt in the current quarter under-review pending the completion of the disposal of the pledged shares.

The completion of the RHB Settlement is expected to reduce gearing, as well as increase the net assets per share of the Group as a result of the waiver of debt by RHB Bank and RHB Labuan.

The RHB Settlement will not have any material impact on the operations of PORB and its subsidiaries.

B8. MATERIAL LITIGATION

1) Silverline Maritime Sdn Bhd against ADSB and PORB

At the hearing at the Court of Appeal (COA) on 24 March 2016, a consent judgement was recorded by the COA in relation to the orders allowed by the High Court pursuant to an application made by Silverline on 8 May 2015 and that Silverline be recognized as a creditor of the PORB only for the sum of RM543,056.09 without interest under the scheme of arrangement approved via Court Order dated 15 August 2014. The High Court Order dated 8 May 2015 was set aside by the COA. The COA approved the Consent Order on 17 August 2016.

B9. DIVIDENDS

There were no dividends declared during the current financial quarter under review.

B10. PROFIT/(LOSS) PER ORDINARY SHARE

(a) Basic

The basic profit/(loss) per ordinary share has been calculated by dividing profit/(loss) attributable to ordinary equity holders of the parent by the number of ordinary shares in issue of 50,804,845 at the end of the current financial quarter.

(b) Diluted

There was no dilution in profit/(loss) per ordinary share as the Company did not have any convertible financial instrument as at the end of the current quarter under review.

PETROL ONE RESOURCES BERHAD

(Company No. : 333769-X)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 30 SEPTEMBER 2016

B11. OPERATING PROFIT BEFORE TAXATION

	3 months ended 30/09/2016 RM'000
Operating profit arrived at after charging/(crediting):	
Bad debts	-
Depreciation	62
Foreign exchange loss/(gain):	
Realised gain	1
Unrealised gain	680
Realised loss	-
Unrealised loss	271
Interest expense	132

B12. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties during the current quarter under review.

B13. QUOTED SECURITIES

There were no purchases or disposals of quoted securities during the current quarter under review.

B14. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments at the date of this quarter.

B15. SUPPLEMENTAL INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by Bursa Malaysia.

	As at 30/09/2016 RM'000	As at 30/9/2015 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(89,959)	(91,245)
- unrealised	(409)	3,237
	<u>(90,368)</u>	<u>(88,008)</u>
Consolidated adjustments	(52,146)	(52,358)
Total accumulated losses	<u>(142,514)</u>	<u>(140,366)</u>

B16. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 November 2016.