PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
(Company Number 3927 V)

The Board of Directors of Petron Malaysia Refining & Marketing Berhad (formerly known as Esso Malaysia Berhad) is pleased to announce the financial results of the Company for the quarter ended June 30, 2012 and for the six months period ended June 30, 2012.

This interim report is prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements (BURSA Securities Listing Requirements) of Bursa Malaysia Securities Berhad (BMSB).

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousand Ringgit Malaysia, Except Per Share Amounts)
Unaudited

	Note	*April to June* 2012	*April to June* 2011 (As Restated)	*January to June* 2012	*January to June* 2011 (As Restated)
Revenues		2,855,460	3,063,147	5,612,455	5,667,921
Cost of sales		(2,870,406)	(2,960,292)	(5,420,861)	(5,261,116)
Gross profit (loss)		(14,946)	102,855	191,594	406,805
Other income		6,217	5,243	13,411	11,038
Expenses		(83,172)	(99,785)	(175,218)	(189,758)
Finance cost		(12,368)	(5,776)	(19,396)	(10,447)
Profit (loss) before tax		(104,269)	2,537	10,391	217,638
Tax (expense) credit	*18*	29,177	(710)	(2,928)	(60,936)
Net profit (loss) for the period attributable to shareholders		(75,092)	1,827	7,463	156,702
Total comprehensive income (loss) attributable to shareholders		**(75,092)**	**1,827**	**7,463**	**156,702**
Earnings (loss) per ordinary stock unit (sen)	*23*	(27.8)	0.7	2.8	58.0

Certified by:
DENNIS S. JANSON
Chief Finance Officer

(The condensed statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousand Ringgit Malaysia)
Unaudited

	Note	*As at Jun 30, 2012*	*As at Dec 31, 2011 (As Restated)*	*As at Jan 01, 2011 (As Restated)*
NON-CURRENT ASSETS				
Property, plant and equipment		786,194	809,012	830,244
Long-term assets		309,814	299,811	306,825
Intangible assets- software		124	-	148
TOTAL NON-CURRENT ASSETS		1,096,132	1,108,823	1,137,217
CURRENT ASSETS				
Inventories		824,106	659,213	468,109
Receivables		590,865	568,595	243,830
Amounts due from related companies		138,655	156,095	140,417
Deposit, cash and bank balances		78,644	30,910	102,261
Tax recoverable		41,830	6,710	-
TOTAL CURRENT ASSETS		1,674,100	1,421,523	954,617
CURRENT LIABILITIES				
Payables		893,548	139,383	142,327
Retirement benefits obligations		3,987	3,987	1,006
Amounts due to related companies		1,114	569,264	396,907
Borrowings (unsecured)	*20*	900,000	821,553	616,307
Tax payable		-	-	54,257
TOTAL CURRENT LIABILITIES		1,798,649	1,534,187	1,210,804
NET CURRENT LIABILITIES		(124,549)	(112,664)	(256,187)
LESS: NON-CURRENT LIABILITIES				
Retirement benefits obligations		43,563	46,698	50,383
Deferred tax		67,713	68,267	74,542
TOTAL NON-CURRENT LIABILITIES		111,276	114,965	124,925
TOTAL NET ASSETS EMPLOYED		**860,307**	**881,194**	**756,105**
FINANCED BY:				
SHARE CAPITAL		135,000	135,000	135,000
RESERVES		8,000	8,000	8,000
RETAINED EARNINGS		717,307	738,194	613,105
SHAREHOLDERS' EQUITY		**860,307**	**881,194**	**756,105**

Certified by:
DENNIS S. JANSON
Chief Finance Officer

(The condensed statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Ringgit Malaysia and Number of Shares, in Thousand)
Unaudited

	Issued and fully paid ordinary stock of RM0.50 each		*Non-distributable*		
	Number of ordinary stock unit	*Nominal value*	*capital redemption reserves*	*Distributable retained earnings*	*Total*
At January 1, 2011 (As Restated)	270,000	135,000	8,000	613,105	756,105
Net profit and total comprehensive income attributable to shareholders	-	-	-	156,702	156,702
Dividends for the year ended December 31, 2010	-	-	-	(28,350)	(28,350)
At June 30, 2011 (As Restated)	**270,000**	**135,000**	**8,000**	**741,457**	**884,457**
At January 1, 2012 (As Restated)	270,000	135,000	8,000	738,194	881,194
Net profit and total comprehensive income attributable to shareholders	-	-	-	7,463	7,463
Dividends for the year ended December 31, 2011	-	-	-	(28,350)	(28,350)
At June 30, 2012	**270,000**	**135,000**	**8,000**	**717,307**	**860,307**

Certified by:
DENNIS S. JANSON
Chief Finance Officer

(The condensed statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF CASH FLOWS
(Amounts in Thousand Ringgit Malaysia)
Unaudited

	January to June	
	2012	*2011* *(As Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	7,463	156,702
Adjustments for:		
Property, plant and equipment		
- Depreciation	28,927	29,209
- Loss on disposal	-	366
- Write-off	1,036	1,014
Amortisation of long-term assets	8,040	7,658
Tax expense	2,928	60,936
Interest income	(1,417)	(549)
Interest expense	19,396	10,447
Retirement / separation benefits cost	2,305	2,244
Inventories written-down to net realisable value	14,415	2,658
Unrealised foreign exchange loss	1,893	1,550
Others	12	88
Changes in working capital		
(Increase) decrease in long-term assets	(15,046)	223
Increase in inventories	(179,308)	(257,196)
Increase in receivables	(22,509)	(201,399)
Decrease (Increase) in amounts due from related companies	84,581	(32,320)
(Decrease) Increase in amounts due to related companies	(566,565)	134,496
Increase in payables and provisions	750,033	97,620
Cash flows from operations	136,184	13,747
Interest received	1,417	549
Interest paid	(18,720)	(10,106)
Income taxes paid	(38,602)	(74,271)
Retirement / separation benefits paid	(5,337)	(2,267)
Net cash flows from (used in) operating activities	**74,942**	**(72,348)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,145)	(21,440)
Purchase of intangible assets	(134)	-
Payment for long-term assets	(3,269)	(6,131)
Proceeds from disposal of property, plant and equipment	-	208
Proceeds from disposal of long-term asset	270	-
Net cash flows used in investing activities	**(10,278)**	**(27,363)**

(The condensed statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

PETRON MALAYSIA REFINING & MARKETING BERHAD
(formerly known as ESSO MALAYSIA BERHAD)
CONDENSED STATEMENTS OF CASH FLOWS
(Amounts in Thousand Ringgit Malaysia)
Unaudited
(Continued)

	January to June	
	2012	*2011* *(As Restated)*
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings - net	78,447	43,724
Dividends paid to shareholders	(28,350)	(28,350)
Increase in deposits with a related company	(67,141)	-
Net cash flows from (used in) financing activities	**(17,044)**	**15,374**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**47,620**	**(84,337)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**22,984**	**94,572**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**70,604**	**10,235**

Certified by:
DENNIS S. JANSON
Chief Finance Officer

(The condensed statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Part A - Explanatory Notes Pursuant to MFRS 134

1. First-time adoption of Malaysian Financial Reporting Standards (MFRS)

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB). These interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended December 31, 2011, the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements are the Company's second MFRS interim financial statements for part of the period covered by the Company's first MFRS annual financial statements for the year ending December 31, 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes 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 the performance of the Company since the financial year ended December 31, 2011.

In preparing its opening MFRS Statement of Financial Position as at January 1, 2011 (which is also the date of transition), the Company has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Company's financial position, financial performance and cash flows is set out in Note 2 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

2. Basis of Preparation

The audited financial statements of the Company for the year ended December 31, 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The same accounting policies and methods of computation are followed in the interim financial statements as for the financial statements for the year ended December 31, 2011 except as disclosed below:

a) Standards, amendments to published standards and interpretations that are applicable to the Company and are effective

The new accounting standards, amendments to published standards and interpretations to existing standards effective for the financial period beginning January 1, 2012 and applicable to the Company are as follows:

- MFRS 1 "First-time adoption of MFRS" provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

- Amendments to IC Interpretation 14 MFRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction. The amendment applies when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements.

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments. It clarifies and addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability.

- Amendment to MFRS 7 Financial instruments: Disclosures on transfers of financial assets. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

- MFRS 124 Related Party Disclosures. The revised standard includes partial exemptions from disclosures for government-related entities. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

The adoption of all the standards, amendments to published standards and interpretations to existing standards above do not have any material impact on the financial position of the Company. All changes in accounting policies have been made in accordance with the adoption of all the standards which do not result in significant changes in accounting policies and disclosures.

b) **Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective**

The new standards, amendments to published standards and interpretations to existing standards applicable to the Company that will be effective but have not been early adopted by the Company, are as follows:

i) Standards effective from July 1, 2012

- Amendment to MFRS 101 Financial statement presentation. It requires entities to separate items presented in 'other comprehensive income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

ii) Standards effective from January 1, 2013

- MFRS 9 Financial instruments - classification and measurement of financial assets and financial liabilities. The revised standard replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value.

- MFRS 11 Joint arrangements. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form.

- MFRS 13 Fair value measurement. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

- Amendment to MFRS 119 Employee benefits. The amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

- Amendments to MFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities. The disclosure requirements are intended to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. It also aims to improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received.

iii) Standard effective from January 1, 2014

- Amendments to MFRS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities. It clarifies the requirements for offsetting financial instruments such as the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.

iv) Standard effective from January 1, 2015

- Amendments to MFRS 9 Financial Instruments on the Mandatory Effective Date of MFRS 9 and Transition Disclosures. The mandatory effective date is changed from January 1, 2013 to January 1, 2015. The amendments also provided relief from the requirement to restate comparative financial statements for the effect of applying MFRS 9. This relief was originally only available to companies that chose to apply MFRS 9 prior to 2012.

The Company will apply the above standards, amendments and interpretations from financial period beginning January 1, 2013, January 1, 2014 and January 1, 2015 respectively. The adoptions of these standards are not expected to have a material impact on the financial position of the Company.

The remaining standards and interpretations that are issued but not yet effective are not applicable to the Company's operations.

c) **Property, plant and equipment**

The Company has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after September 1, 1998. By virtue of this transitional provision, the company had recorded certain property, plant and equipment at revalued amounts but had not adopted a policy of revaluation and continued to carry those property, plant and equipment on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Company has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Company elected to regard the revalued amounts of property, plant and equipment as at 1982 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that time. The revaluation surplus from the revaluation had been fully distributed.

d) **Prepaid lease payments**

In accordance with the transitional provision of FRS 117 Leases, the Company retained the unamortised revalued amount of leasehold land as the surrogate carrying amount of prepaid lease payments. The prepaid lease payments were amortised over the lease term. Upon transition to MFRS, the transitional provision has been removed. Thus, MFRS 117 Leases has been applied retrospectively up to the date of transition from January 1, 2011.

The carrying amount of prepaid lease payments was reduced by RM1,889 (June 30, 2011: RM1,805; December 31, 2011: RM1,779). Retained earnings was reduced by RM1,417 (June 30, 2011: RM1,354; December 31, 2011: RM1,334) since the revaluation surplus from the revaluation had been fully distributed. In addition, amortisation of prepaid lease payments was reduced by RM84 for the period ended June 30, 2011 (December 31, 2011: RM110).

The adjustments to the carrying amount of prepaid lease payments also reduced the deferred tax liabilities by RM472 (June 30, 2011: RM451; December 31, 2011: RM445) and increased the income tax expense for the period ended June 30, 2011 and for the year ended December 31, 2011 by RM21 and RM27, respectively.

e) **Estimates**

The estimates at January 1, 2011 and December 31, 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Company to present these amounts in accordance with MFRS reflect conditions at January 1, 2011, the date of transition to MFRS and as of December 31, 2011.

The reconciliations of equity and total comprehensive income for comparative periods reported under FRS to those reported for those periods under MFRS are provided below:

(i) Reconciliations of equity as at June 30, 2011

	Note	FRS as at June 30, 2011	*Adjustment*	MFRS as at June 30, 2011
NON-CURRENT ASSETS				
Property, plant and equipment		820,887		820,887
Long-term assets	2 (d)	306,880	(1,805)	305,075
Intangible assets - software		60		60
TOTAL NON-CURRENT ASSETS		1,127,827		1,126,022
CURRENT ASSETS				
Inventories		722,647		722,647
Receivables		444,888		444,888
Amounts due from related companies		172,737		172,737
Deposit, cash and bank balances		18,047		18,047
TOTAL CURRENT ASSETS		1,358,319		1,358,319
CURRENT LIABILITIES				
Payables		240,070		240,070
Retirement benefits obligations		1,006		1,006
Amounts due to related companies		532,953		532,953
Borrowings (unsecured)		660,031		660,031
Tax payable		42,885		42,885
TOTAL CURRENT LIABILITIES		1,476,945		1,476,945
NET CURRENT LIABILITIES		(118,626)		(118,626)
LESS: NON-CURRENT LIABILITIES				
Retirement benefits obligations		50,360		50,360
Deferred tax	2 (d)	73,030	(451)	72,579
TOTAL NON-CURRENT LIABILITIES		123,390		122,939
TOTAL NET ASSETS EMPLOYED		**885,811**		**884,457**
FINANCED BY:				
SHARE CAPITAL		135,000		135,000
RESERVES		8,000		8,000
RETAINED EARNINGS	2 (d)	742,811	(1,354)	741,457
SHAREHOLDERS' EQUITY		**885,811**		**884,457**

(ii) Reconciliations of total comprehensive income for the quarter ended June 30, 2011 and for the 6 months ended June 30, 2011

	FRS Quarter ended June 30, 2011	Note 2 (d) Prepaid lease payments	MFRS Quarter ended June 30, 2011	FRS 6 months ended June 30 2011	Note 2 (d) Prepaid lease payments	MFRS 6 months ended June 30, 2011
Revenues	3,063,147		3,063,147	5,667,921		5,667,921
Cost of sales	(2,960,292)		(2,960,292)	(5,261,116)		(5,261,116)
Gross profit	102,855		102,855	406,805		406,805
Other income	5,243		5,243	11,038		11,038
Expenses	(99,797)	12	(99,785)	(189,842)	84	(189,758)
Finance cost	(5,776)		(5,776)	(10,447)		(10,447)
Profit before tax	2,525		2,537	217,554		217,638
Tax expense	(707)	(3)	(710)	(60,915)	(21)	(60,936)
Net profit for the period attributable to shareholders	1,818		1,827	156,639		156,702
Total comprehensive income attributable to shareholders	**1,818**		**1,827**	**156,639**		**156,702**

3. **Comments about Seasonal or Cyclical Factors**

The operations of the business are not seasonal or cyclical in nature.

4. **Unusual Items Due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Company during the current quarter.

5. **Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter.

6. **Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter.

7. **Dividend Paid**

The amounts of dividends paid since December 31, 2011 are as follows:

In respect of the year ended December 31, 2011:

Final dividend per stock unit, paid on June 21, 2012:	
Ordinary stock unit - 14 sen gross less Malaysian income tax at 25%	28,350

8. **Segmental Information**

The Company is organised as one integrated business segment which operates to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors, sales to Concord Energy Pte. Ltd. and ExxonMobil Asia Pacific Pte. Ltd. (EMAPPL), Singapore. A breakdown of the revenues by geographical location is as follows:

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Domestic	2,313,254	2,578,813	4,761,844	4,700,771
Singapore	435,905	484,334	744,310	967,150
Other countries	106,301	-	106,301	-
Total Revenues	2,855,460	3,063,147	5,612,455	5,667,921

For the six months ended June 30, 2012 approximately RM1,374,206 (2011: RM2,126,341) of the revenues are derived from one (two for 2011) major customer whom is a related party to the Company.

All non-current assets of the Company are located in Malaysia.

9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended December 31, 2011. Under MFRS 1, the Company has elected to regard the revalued amount as deemed cost.

10. Significant Events

Following a review of the RM300 million 7-year Islamic Commercial Papers Programme ("Sukuk Programme"), it was determined that the said Sukuk Programme be terminated. All settlements in relation to the Sukuk Programme have been made with no further obligations on the Company thereafter. In furtherance of this EMB received written confirmation that EMB's said Sukuk Programme has, effective June 4, 2012, been cancelled from the Fully Automated System for Issuing/Tendering (FAST).

11. Changes in Composition of the Company

There were no changes in the composition of the Company during the current quarter.

12. Changes in Contingent Liabilities

There were no significant changes in contingent liabilities or contingent assets since the last annual statement of financial position as at December 31, 2011.

13. Capital Commitments

Capital commitments not provided for in the Interim Financial Report as at June 30, 2012 are as follows:

Property, plant & equipment	
Approved and contracted for	14,095
Approved but not contracted for	8,724
Total	22,819

Part B- Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

14. Review of Performance - Current Financial Period ended June 30, 2012

Petron Malaysia Refining & Marketing Berhad posted an after tax loss of RM75.1 million in the 2nd quarter of the year in contrast to the RM1.8 million income over the same period in 2011. With the company's RM82.6 million income registered in the 1st quarter of 2012, the first half ended at RM7.5 million income.

The loss is attributed to the volatility in the global oil markets in the 2nd quarter. Reference prices for crude oil and finished products dropped steeply and continuously during the period leaving negative margins on higher-costing inventory sold in the 2nd quarter.

The company recorded RM2.9 billion in revenues in the 2nd quarter of 2012, slightly lower than the RM3.1 billion revenue last year due to lower average prices. Sales volumes decreased to 7.4 million barrels in the 2nd quarter of 2012 from 7.9 million barrels over the same period last year.

15. Commentary on Prospects

The global economy remains fragile with the expected slowdown in global economic growth and the continued crude and product prices volatility. Given the impact these will have on potential earnings, the Company's focus shall remain on sustaining flawless operations, cost control and product and services quality, as well as strengthening its business position through continued emphasis on strategic programs and initiatives, to help ensure the Company's growth and profitability over the long-term.

16. Profit Forecast or Profit Guarantee

As a matter of policy, the Company does not make profit forecasts or profit guarantees.

17. Commentary on Profit (Loss) before Tax

The profit (loss) before tax is arrived at after charging (crediting) the following items:

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Depreciation of property, plant and equipment	14,441	14,961	28,927	29,209
Amortisation of intangible assets	8	41	10	86
Interest income	(1,221)	(164)	(1,417)	(549)
Inventories written-down to net realisable value	8,808	2,658	14,415	2,658
Loss on disposal of property, plant and equipment	-	272	-	366
Foreign exchange (other than on borrowings)				
- Realised loss (gain)	18,751	(622)	(8,994)	(11,555)
- Unrealised loss (gain)	(2,608)	(742)	1,893	1,550

The Company does not have derivative transactions and therefore, has no gains or losses to be reported. In line with Note 4, there are also no exceptional items.

18. Tax expense (credit)

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Income tax expense (credit)	(30,560)	391	3,482	62,899
Deferred tax	1,383	319	(554)	(1,963)
	(29,177)	710	2,928	60,936

The effective tax rate is higher than the statutory tax rate primarily reflecting the varying relationship of the non-deductible expenses (which are relatively fixed over time) to changing levels of profit or loss from period to period.

19. Corporate Proposals

There were no corporate proposals.

20. Borrowings

The Company's borrowings as at June 30, 2012 are as follows:

Short-term, unsecured	900,000

21. Changes in Material Litigation

There were no significant changes to material litigation since December 31, 2011.

22. Dividend Payable

The Company did not declare any dividends for the six months ended June 30, 2012.

23. Earnings (Loss) Per Ordinary Stock Unit

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Net profit (loss) for the period	(75,092)	1,827	7,463	156,702
Number of ordinary stock units in issue ('000)	270,000	270,000	270,000	270,000
Earnings (loss) per stock unit (sen)	(27.8)	0.7	2.8	58.0

24. Reserves

	As at	
	30.06.2012	30.06.2011
Capital redemption reserve (non-distributable)	8,000	8,000
Retained profits (distributable)	717,307	741,457
	725,307	749,457

25. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's financial statements for the year ended December 31, 2011 was not qualified.

26. Supplementary 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, as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at	
	30.06.2012	30.06.2011
Total retained profits:		
- realised	786,913	814,460
- unrealised	(69,606)	(76,266)
Total retained profits	717,307	738,194

The disclosure of realised and unrealised profits above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.