



**PETRON MALAYSIA REFINING & MARKETING BERHAD**  
(Company Number 3927 V)

The Board of Directors of Petron Malaysia Refining & Marketing Berhad is pleased to announce the financial results of the Company for the quarter ended September 30, 2013 and for the nine months period ended September 30, 2013.

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**  
**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousand Ringgit Malaysia, Except Per Share Amounts)

Unaudited

	Note	<i>July to September</i>		<i>January to September</i>	
		2013	2012 <i>(As Restated)</i>	2013	2012 <i>(As Restated)</i>
Revenue		2,814,754	2,903,923	8,318,577	8,503,604
Cost of sales		(2,754,809)	(2,771,938)	(8,142,156)	(8,272,654)
Gross profit		59,945	131,985	176,421	230,950
Other operating income		8,847	8,120	33,309	22,835
Selling and administrative expense		(48,261)	(42,063)	(146,857)	(142,610)
Operating income		20,531	98,042	62,873	111,175
Other (expense) income - net		(10,907)	36,000	(37,938)	54,576
Finance cost		(16,406)	(20,553)	(49,682)	(42,026)
(Loss) Profit before tax	15	(6,782)	113,489	(24,747)	123,725
Tax benefit (expense)	16	1,894	(27,947)	6,924	(30,836)
<b>(Loss) Profit for the period</b>		<b>(4,888)</b>	<b>85,542</b>	<b>(17,823)</b>	<b>92,889</b>
Other comprehensive loss net of tax:					
Actuarial loss in defined benefits obligation		-	(2,185)	-	(6,558)
<b>Total comprehensive (loss) income for the period</b>		<b>(4,888)</b>	<b>83,357</b>	<b>(17,823)</b>	<b>86,331</b>
(Loss) Profit attributable to equity holders of the Company		(4,888)	85,542	(17,823)	92,889
Total comprehensive (loss) income attributable to equity holders of the Company		(4,888)	83,357	(17,823)	86,331
<b>(Loss) Earnings per share (sen)</b>	<b>23</b>	<b>(1.8)</b>	<b>31.7</b>	<b>(6.6)</b>	<b>34.4</b>

Certified by:

**JOSUE C. BANEZ, JR.**  
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  
CONDENSED STATEMENTS OF FINANCIAL POSITION  
(Amounts in Thousand Ringgit Malaysia)

Unaudited

	Note	As at Sept 30, 2013	As at Dec 31, 2012 (As Restated)	As at Jan 01, 2012 (As Restated)
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		842,311	782,213	809,012
Long-term assets		289,321	301,208	299,811
Intangible assets- software		10,259	12,310	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,141,891</b>	<b>1,095,731</b>	<b>1,108,823</b>
<b>CURRENT ASSETS</b>				
Inventories		762,530	730,659	659,213
Receivables		748,927	748,740	568,595
Amounts due from current related companies		117,222	146,736	-
Amounts due from former related companies		-	-	156,095
Tax recoverable		32,581	14,759	6,710
Derivative financial assets		6,577	-	-
Deposit, cash and bank balances		59,821	38,724	30,910
<b>TOTAL CURRENT ASSETS</b>		<b>1,727,658</b>	<b>1,679,618</b>	<b>1,421,523</b>
<b>CURRENT LIABILITIES</b>				
Retirement benefits obligations		6,422	6,423	3,987
Payables		851,331	797,022	139,383
Amounts due to a current related company		10,732	8,321	-
Amounts due to former related companies		-	-	569,264
Borrowings (unsecured)	18	989,571	900,000	821,553
Derivative financial liabilities		558	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,858,614</b>	<b>1,711,766</b>	<b>1,534,187</b>
<b>NET CURRENT LIABILITIES</b>		<b>(130,956)</b>	<b>(32,148)</b>	<b>(112,664)</b>
<b>LESS: NON-CURRENT LIABILITIES</b>				
Retirement benefits obligations		54,137	53,683	46,602
Deferred income tax		60,429	67,358	68,291
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>114,566</b>	<b>121,041</b>	<b>114,893</b>
<b>TOTAL NET ASSETS EMPLOYED</b>		<b>896,369</b>	<b>942,542</b>	<b>881,266</b>

(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  
CONDENSED STATEMENTS OF FINANCIAL POSITION  
(Amounts in Thousand Ringgit Malaysia)

Unaudited  
(Continued)

	<i>Note</i>	<i>As at Sept 30, 2013</i>	<i>As at Dec 31, 2012 (As Restated)</i>	<i>As at Jan 01, 2012 (As Restated)</i>
<b>FINANCED BY:</b>				
Share capital		135,000	135,000	135,000
Retained earnings	24	767,926	814,099	744,078
Other reserves	24	(6,557)	(6,557)	2,188
<b>SHAREHOLDERS' EQUITY</b>		<b>896,369</b>	<b>942,542</b>	<b>881,266</b>

Certified by:

  
JOSUE C. BANEZ, JR.  
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**  
**CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Ringgit Malaysia and Number of Shares, in Thousand)

Unaudited

	Issued and fully paid ordinary share of RM0.50 each		Non-distributable		Distributable		
	Number of ordinary share	Nominal value	Capital redemption reserve	Reserve for retirement plan	Total other reserves	Retained earnings	Total equity
<b>At January 1, 2012 (restated)</b>	270,000	135,000	8,000	(5,812)	2,188	744,078	881,266
Total comprehensive income attributable to equity holders	-	-	-	(6,558)	(6,558)	92,889	86,331
Dividends for the year ended December 31, 2011	-	-	-	-	-	(28,350)	(28,350)
<b>At September 30, 2012 (restated)</b>	270,000	135,000	8,000	(12,370)	(4,370)	808,617	939,247
<b>At January 1, 2013 (restated)</b>	270,000	135,000	8,000	(14,557)	(6,557)	814,099	942,542
Total comprehensive loss attributable to equity holders	-	-	-	-	-	(17,823)	(17,823)
Dividends for the year ended December 31, 2012	-	-	-	-	-	(28,350)	(28,350)
<b>At September 30, 2013</b>	270,000	135,000	8,000	(14,557)	(6,557)	767,926	896,369

Certified by:   
**JOSUE C. BANEZ, JR.**  
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 MALAYSIA REFINING & MARKETING BERHAD**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**(Amounts in Thousand Ringgit Malaysia)**  
**Unaudited**

	<i>January to September</i>	
	<i>2013</i>	<i>2012</i>
		<i>(As Restated)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) profit for the period	(17,823)	92,889
Adjustments for:		
Property, plant and equipment		
- Depreciation	44,265	43,247
- Gain on disposal	(17)	(14,817)
- Write-off	6,132	2,347
Long-term assets		
- Amortisation	16,149	11,796
- Loss on disposal	-	(320)
Amortisation of intangible asset	2,051	18
Impairment loss on receivables	65	-
Tax (benefit) expense	(6,924)	30,836
Interest income	(1,148)	(1,766)
Interest expense	37,820	32,342
Retirement / separation benefits cost	3,998	3,703
Unrealised foreign exchange gain	(1,289)	(5,175)
Unrealised fair value gain on derivatives		-
Commodity	(1,466)	-
Forex	(4,553)	-
Changes in working capital		
Decrease (Increase) in long-term assets	1,653	(14,439)
Increase in inventories	(31,871)	(287,672)
Decrease (Increase) in receivables	358	(12,889)
Decrease (Increase) in amounts due from current related companies	29,514	(314,614)
Decrease in amounts due from former related companies	-	156,095
Increase in amounts due to current related companies	1,866	8,383
Decrease in amounts due to former related companies	-	(569,264)
Increase in payables and provisions	54,725	1,017,830
Cash flows from operations	133,505	178,530
Interest received	1,148	1,766
Interest paid	(37,012)	(31,129)
Income taxes paid	(17,827)	(43,949)
Retirement / separation benefits paid	(3,545)	(6,776)
<b>Net cash flows from operating activities</b>	<b>76,269</b>	<b>98,442</b>

(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  
CONDENSED STATEMENTS OF CASH FLOWS  
(Amounts in Thousand Ringgit Malaysia)

Unaudited  
(Continued)

	<u>January to September</u>	
	2013	2012
		<i>(As Restated)</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(110,610)	(11,174)
Purchase of intangible assets	-	(134)
Payment for long-term assets	(5,915)	(3,630)
Proceeds from disposal of property, plant and equipment	132	15,858
Proceeds from disposal of long-term asset	-	670
<b>Net cash flows (used in) from investing activities</b>	<b>(116,393)</b>	<b>1,590</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	89,571	78,447
Dividends paid	(28,350)	(28,350)
<b>Net cash flows from financing activities</b>	<b>61,221</b>	<b>50,097</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>21,097</b>	<b>150,129</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>481</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>38,724</b>	<b>30,910</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>59,821</b>	<b>181,520</b>

Certified by:

  
JOSUE C. BANEZ, JR.  
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.)



**PETRON MALAYSIA REFINING & MARKETING BERHAD**  
(Amounts in Thousand Ringgit Malaysia, Except Per Share Data)

**Part A - Explanatory Notes Pursuant to MFRS 134**

**1. Basis of Preparation**

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.

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, 2012.

**2. Summary of Significant Accounting Policies**

**a) Changes in Accounting Policies**

The audited financial statements of the Company for the year ended December 31, 2012 were prepared in accordance with MFRS. 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, 2012 except as disclosed below:

On January 1, 2013, the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after January 1, 2013.

- MFRS 11 Joint Arrangements
- MFRS 13 Fair Value Measurement
- Amendment to MFRS 1 First-time Adoption of MFRSs
- Amendments to MFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendment to MFRS 101 Presentation of Items of Other Comprehensive Income
- Amendment to MFRS 101 Presentation of Financial Statements
- Amendment to MFRS 116 Property, Plant and Equipment
- Amendment to MFRS 132 Financial instruments: Presentation
- Amendment to MFRS 134 Interim Financial Reporting
- Revised MFRS 119 Employee benefits

The adoption of the above standards did not have any effect on the financial performance or position of the Company except for revised MFRS 119 Employee Benefits as discussed below:



## Revised 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.

The following are the effects arising from the above change in accounting policy:

	<i>Increase (decrease)</i>	
	<i>As at</i>	<i>As at</i>
	<i>Jan 01, 2012</i>	<i>Dec 31, 2012</i>
<u>Statement of financial position</u>		
Retirement benefits obligations (non-current)	7,750	19,143
Deferred income tax	(1,938)	(4,786)
Other reserves	(5,812)	(14,557)
Retained earnings	-	200
		<hr/>
		<i>Increase (decrease)</i>
		<u>January to September 2012</u>
<u>Statement of comprehensive income</u>		
Selling and administrative expense		(202)
Profit before tax		202
Tax expense		50
Profit net of tax		152
Other comprehensive loss, net of tax		6,558
Total comprehensive income		<hr/> (6,406)

### **b) Standards, Amendments to Published Standards and Interpretations to Existing Standards that are applicable to the Company but not yet effective**

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

#### **i) 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.
- Amendments to MFRS 136 Impairment of Assets - Disclosure of recoverable amount. The amendments required the disclosure of the recoverable amount of each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant when compared to an entity's total carrying amount of goodwill or intangible assets with indefinite useful lives.

- Amendments to MFRS 139 Financial Instruments: Recognition and measurement. The amendments clarifies derecognition of an existing derivative that has been designated as a hedging instrument. Derivative should be derecognised only when it meets both the derecognition criteria for a financial asset and the derecognition criteria for a financial liability in circumstances in which the derivative involves two-way payments between parties

ii) Standard effective from January 1, 2015

- 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.

The Company will apply the above standards and amendments from financial period beginning 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.

### 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, 2012 are as follows:

In respect of the year ended December 31, 2012:

Final dividend per ordinary share, paid on June 20, 2013  
 - 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, and sales to Concord Energy Pte. Ltd. A breakdown of the revenues by geographical location is as follows:

	<i>3 months ended</i>		<i>Year ended</i>	
	<u>30.09.2013</u>	<u>30.09.2012</u>	<u>30.09.2013</u>	<u>30.09.2012</u>
Domestic	2,504,136	2,543,058	7,356,449	7,400,563
Singapore	310,618	360,865	962,128	1,103,041
<b>Total Revenues</b>	<b>2,814,754</b>	<b>2,903,923</b>	<b>8,318,577</b>	<b>8,503,604</b>

For the year ended September 30, 2013 approximately RM2,883,307 (2012: RM2,118,164) of the revenues are derived from two (one related party for 2012) major customers, one of whom is a related party to the Company.

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

## 9. Changes in Composition of the Company

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

## 10. 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, 2012.

## 11. Capital Commitments

Capital commitments not provided for in the Interim Financial Report as at September 30, 2013 are as follows:

<b>Property, plant &amp; equipment</b>	
Approved and contracted for	55,509
Approved but not contracted for	241,625
<b>Total</b>	<b>297,134</b>

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

### **12. Review of Performance - Current Financial Period ended September 30, 2013**

Petron Malaysia Refining & Marketing Berhad (PMRMB) announced that its sales volumes slightly increased in the first nine months of the year to 21.8 million barrels from 21.6 million barrels over the same period in 2012. The increase can be attributed to higher retail sales as the Company's service station upgrading and conversion program continued. This translated to RM8.32 billion in revenues, lower than the RM8.5 billion last year.

Oil price volatility coupled with the strengthening of the US Dollar against the Malaysian Ringgit continued to affect the bottom line resulting in a loss of RM18 million in the first three quarters of 2013 from an income of RM93 million during the same period last year.

### **13. Commentary on Prospects**

Despite this temporary setback, PMRMB is confident that it will manage a turnaround and show robust results as the Company continues to implement efficiency programs to cushion market volatility. The Company also has ongoing initiatives aimed at increasing its market share.

PMRMB is currently expanding its retail network nationwide, in tandem with the rebranding program, which aims to convert all of its service stations to the Petron brand. As of end-October 2013, PMRMB, together with sister companies Petron Fuel International Sdn Bhd and Petron Oil (M) Sdn Bhd, has rebranded nearly half of the 550 service stations.

To further ensure customer convenience and support its safety initiatives, the Company has partnered with the Royal Malaysian Police to transform strategically located Petron service stations into temporary shelters for the public in case of an emergency that requires police assistance. "Go-To Safety Points at Petron Stations" is in support of the country's fight against crime, while promoting safer communities.

### **14. Profit Forecast or Profit Guarantee**

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

## 15. Commentary on Profit before Tax

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

	<i>3 months ended</i>		<i>Year ended</i>	
	<u>30.09.2013</u>	<u>30.09.2012</u>	<u>30.09.2013</u>	<u>30.09.2012</u>
Property, plant and equipment				
- Depreciation	15,340	14,320	44,265	43,247
- Write-off	2,013	22	6,132	2,347
- Gain on disposal	(17)	(14,817)	(17)	(14,817)
Long-term assets				
- Amortisation	5,383	3,756	16,149	11,796
- Loss on disposal	-	(322)	-	(320)
Amortisation of intangible assets	683	8	2,051	18
Interest income	(291)	(349)	(1,148)	(1,766)
Interest expense	12,613	12,946	37,820	32,342
Impairment loss on receivables	-	-	65	-
Foreign exchange				
- Realised loss (gain)	21,285	(10,570)	41,792	(19,564)
- Unrealised loss (gain)	(6,747)	(7,068)	(1,289)	(5,175)
Fair value changes on derivatives				
- Realised loss (gain)				
- Forex	(1,443)	-	10,013	-
- Commodity	3,703	-	3,703	-
- Unrealised gain				
- Forex	(3,230)	-	(4,553)	-
- Commodity	(1,466)	-	(1,466)	-

There are no exceptional items, inventories written down or written off, gain or loss on disposal of quoted or unquoted investments or properties.

## 16. Tax expense

	<i>3 months ended</i>		<i>Year ended</i>	
	<u>30.09.2013</u>	<u>30.09.2012</u>	<u>30.09.2013</u>	<u>30.09.2012</u>
Income tax expense				
- Current	-	28,230	-	31,712
- Prior year	5	324	5	324
Deferred income tax				
- Origination and reversal of temporary differences	(1,899)	(607)	(6,929)	(1,200)
Income tax (benefit) expense recognised in profit or loss	(1,894)	27,947	(6,924)	30,836

	<i>3 months ended</i>		<i>Year ended</i>	
	<i>30.09.2013</i>	<i>30.09.2012</i>	<i>30.09.2013</i>	<i>30.09.2012</i>
Deferred income tax related to other comprehensive loss				
- Actuarial loss in defined benefits obligation	-	(729)	-	(2,186)

The effective tax rate is normally 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.

#### 17. Corporate Proposals

There were no corporate proposals.

#### 18. Borrowings

The Company's borrowings as at September 30, 2013 are as follows:

Working capital facility - short-term, unsecured	900,000
Floating interest rate loan from a related company - short-term, unsecured	89,571
	<u>989,571</u>

#### 19. Derivative Financial Instruments

As at September 30, 2013, the Company has the following outstanding derivative financial instruments:

<i>Type of derivatives</i>	<i>Contract/ Notional value</i>	<i>Cash paid</i>	<i>Fair value</i>	
			<i>Assets</i>	<i>Liabilities</i>
Derivatives at fair value through profit or loss				
- Foreign currency forward contract	327,686	-	4,963	(410)
- Commodity swaps	68,685	-	1,529	(148)
- Commodity options	17,540	-	85	-
	<u>413,911</u>	-	<u>6,577</u>	<u>(558)</u>

##### (a) Foreign currency forward contract

The Company enters into foreign currency forward contracts to manage its exposures on foreign currency arising from payables for crude and products purchases denominated in US Dollar. All of the forward contracts have maturities of less than 180 days after the end of the reporting period.

##### (b) Commodity derivatives

The Company mitigates crude and petroleum products price risks using commodity swap and options. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. All of the commodity derivative contracts have maturities of less than 180 days after the end of the reporting period.

The foreign currency forward contracts, commodity swaps and options are transacted with accredited banks and traded on over-the-counter (“OTC”) markets. Hence, credit risk for non-performance by the counterparties and liquidity risk associated with these derivative instruments are minimal. Hedging policy is in place and decisions are guided by the conditions set and approved by the Company’s management. The Company does not apply hedge accounting.

Derivatives are financial instruments classified at fair value through profit or loss. Derivative instruments are initially recognised at fair value on the date in which a derivative transaction is entered into, and are subsequently re-measured at fair value. Gains and losses from changes in fair value of these derivatives are recognised directly in profit or loss.

## 20. Gains and Losses Arising from Fair Value Changes of Financial Liabilities

The gains and losses arising from fair value changes of financial liabilities measured at fair value through profit or loss are as follows:

	<i>(Gain) Loss</i>		<i>Basis for fair value measurement</i>
	<u><i>3 months ended</i></u> <u><i>30.09.2013</i></u>	<u><i>Year ended</i></u> <u><i>30.09.2013</i></u>	
Foreign currency forward contract	(2,383)	410	Level 2 measurement (OTC price)
Commodity swaps	148	148	Level 2 measurement (OTC price)
	<u>(2,235)</u>	<u>558</u>	

The fair value losses on derivative financial liabilities are due to underlying risk variables have become potentially unfavourable.

Except for the derivative financial liabilities, all other financial liabilities are measured at the amortised cost using effective interest method. Hence, no gain or loss is recognised for changes in the fair values of these liabilities.

## 21. Changes in Material Litigation

There were no significant changes to material litigation since December 31, 2012.

## 22. Dividend Payable

The Company did not declare any dividends for the nine months ended September 30, 2013.

## 23. Earnings per Ordinary Share

	<i>3 months ended</i>		<i>Year ended</i>	
	<u>30.09.2013</u>	<u>30.09.2012</u>	<u>30.09.2013</u>	<u>30.09.2012</u>
(Loss) Profit for the period attributable to equity holders of the Company	(4,888)	85,542	(17,823)	92,889
Number of ordinary shares in issue ('000)	270,000	270,000	270,000	270,000
(Loss) Earnings per share (sen)	(1.8)	31.7	(6.6)	34.4

## 24. Reserves

	<i>As at</i>	
	<u>30.09.2013</u>	<u>30.09.2012</u>
Non-distributable		
Capital redemption reserve	8,000	8,000
Reserve for retirement plan	(14,557)	(12,370)
Other reserves	(6,557)	(4,370)
Distributable		
Retained earnings	767,926	808,617
Total reserves	<u>761,369</u>	<u>804,247</u>

## 25. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's financial statements for the year ended December 31, 2012 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.

	<i>As at</i>	
	<u>30.09.2013</u>	<u>31.12.2012</u>
Total retained profits:		
- realised	821,047	880,504
-unrealised	(53,121)	(66,405)
Total retained profits	<u>767,926</u>	<u>814,099</u>

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.