



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2011 (Unaudited) RM '000	PRECEDING YEAR QUARTER 30/6/2010 (Unaudited) RM '000	CURRENT YEAR TO DATE 30/6/2011 (Unaudited) RM '000	PRECEDING YEAR TO DATE 30/6/2010 (Audited) RM '000
Continuing Operations				
Revenue	7,821	9,449	30,541	30,987
Cost of sales	(5,952)	(13,742)	(36,851)	(30,794)
Gross (loss)/ profit	1,869	(4,293)	(6,310)	193
Other income	(45)	3,387	57	6,572
Administration expenses	(3,205)	(798)	(7,845)	(4,994)
Other operating expenses	(23,009)	-	(23,009)	-
Finance costs	(1,074)	(1,475)	(3,981)	(4,217)
Gain on disposal of subsidiaries	-	-	3,030	-
Loss before tax	(25,463)	(3,179)	(38,058)	(2,446)
Income tax expense	10,220	(1,002)	10,944	(1,002)
Loss for the period/year from continuing operations	(15,243)	(4,181)	(27,114)	(3,448)
Discontinued Operations				
Profit/(Loss) for the period/year from discontinued operations	-	4	87	(95)
Net loss for the period/year	(15,243)	(4,177)	(27,027)	(3,543)
Attributable to:				
Equity holders of the Company	(15,243)	(2,711)	(26,653)	(2,699)
Minority interest	-	(1,466)	(374)	(844)
	(15,243)	(4,177)	(27,027)	(3,543)
Other comprehensive income :				
Foreign currency translation	(150)	(1,757)	(185)	(1,757)
Revaluation of property, plant and equipment	3,800	-	3,800	-
Total comprehensive loss for the period/year	(11,593)	(5,934)	(23,412)	(5,300)
Total comprehensive loss attributable to:				
Equity holders of the Company	(11,593)	(4,468)	(23,038)	(4,456)
Minority interest	-	(1,466)	(374)	(844)
Total comprehensive loss for the period/year	(11,593)	(5,934)	(23,412)	(5,300)



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	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/6/2011 (Unaudited) RM '000	30/6/2010 (Unaudited) RM '000	30/6/2011 (Unaudited) RM '000	30/6/2010 (Audited) RM '000
(Loss)/Earning per share (sen) attributed to equity holder of the Company :				
Basic, for loss from continuing operations	(30.00) *	(5.87)	(52.46) *	(5.84)
Basic, for profit/(loss) from discontinued operations	- *	0.01	0.17 *	(0.21)
Basic, for loss for the period/year	<u>(30.00) *</u>	<u>(5.86)</u>	<u>(52.29) *</u>	<u>(6.05)</u>
Diluted	N/A	N/A	N/A	N/A
Dividends per share (sen)	-	-	-	-

* Based on 50,804,845 ordinary shares

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 JUNE 2011

	AS AT 30/6/2011 (Unaudited) RM '000	RESTATED AS AT 30/06/2010 (Audited) RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	74,574	186,369
Goodwill	27,917	27,917
Deferred tax assets	6,149	-
	<u>108,640</u>	<u>214,286</u>
Current assets		
Trade and other receivables	3,613	10,212
Tax recoverables	153	467
Cash and bank balances	2,407	107
Assets classified as held for sale	72,492	46,453
	<u>78,665</u>	<u>57,239</u>
TOTAL ASSETS	<u>187,305</u>	<u>271,525</u>
EQUITY AND LIABILITIES		
Share capital	50,805	46,199
Share premium	12,669	10,834
Reserve	(37,893)	1,669
Equity attributable to equity holders of the Company	<u>25,581</u>	<u>58,702</u>
Minority interest	-	9,850
Total equity	<u>25,581</u>	<u>68,552</u>
Non-current liabilities		
Borrowings	29,017	97,362
Deferred tax liabilities	2,558	5,612
	<u>31,575</u>	<u>102,974</u>
Current liabilities		
Borrowings	90,444	47,346
Trade and other payables	23,915	17,665
Amount due to directors	15,790	13,168
Liabilities classified as held for sale	-	21,820
	<u>130,149</u>	<u>99,999</u>
Total liabilities	<u>161,724</u>	<u>202,973</u>
TOTAL EQUITY AND LIABILITIES	<u>187,305</u>	<u>271,525</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.5035</u>	<u>1.2706</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



PETROL ONE RESOURCES BERHAD (Incorporated in Malaysia)
(Formerly known as Changhuat Corporation Berhad)
(Company No : 333769-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2011**

	Attributable to Equity Holders of the Company				Total RM '000	Minority Interest RM '000	Total Equity RM '000	
	Non-distributable		Distributable					
(Audited)	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve	Translation reserve RM '000	Retained earnings/ Accumulated losses RM '000			
At 1 July 2009	41,999	9,532	-	-	6,125	57,656	10,694	68,350
Issue of shares	4,200	1,302	-	-	-	5,502	-	5,502
Total comprehensive income	-	-	-	(1,757)	(2,699)	(4,456)	(844)	(5,300)
At 30 June 2010	46,199	10,834	-	(1,757)	3,426	58,702	9,850	68,552
(Unaudited)								
At 1 July 2010	46,199	10,834	-	(1,757)	3,426	58,702	9,850	68,552
Issue of shares	4,606	1,835	-	-	-	6,441	-	6,441
Total comprehensive income	-	-	3,800	(185)	(26,653)	(23,038)	(374)	(23,412)
Acquisition of minority interest	-	-	-	-	(16,524)	(16,524)	(9,476)	(26,000)
At 30 June 2011	50,805	12,669	3,800	(1,942)	(39,751)	25,581	-	25,581

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 JUNE 2011

	12 months ended	
	30/6/2011 (Unaudited) RM '000	30/6/2010 (Audited) RM '000
Net cash generated from operating activities	7,073	14,837
Net cash generated from/(used in) investing activities	6,476	(70,939)
Net cash (used in)/generated from financing activities	(11,249)	52,205
Net increase/(decrease) in cash and cash equivalents	2,300	(3,897)
Cash and cash equivalents at beginning of financial period	107	4,004
Cash and cash equivalents at end of financial period	<u>2,407</u>	<u>107</u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 30/6/2011 (Unaudited) RM '000	As at 30/6/2010 (Audited) RM '000
Cash and bank balances	<u>2,407</u>	<u>107</u>
	<u>2,407</u>	<u>107</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 JUNE 2011

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010. 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 year ended 30 June 2010.

The interim financial statements have been prepared on the assumption that the Group is a going concern. The Group incurred a net loss of RM27.03 million for the twelve months ended 30 June 2011 mainly due to the impairment of MT Taurus amounting to RM23.01 and, as of the date, the current liabilities of the Group exceeded its current assets by RM51.48 million.

As disclosed in the previous year's financial statements, Arus Dermaga Sdn Bhd ("ADSB"), a subsidiary, entered into negotiations with its lender to restructure its term loan as it was unable to meet its loan principal installment amounting to USD3 million in March 2010. The lender had agreed to keep the abovementioned USD3 million repayment in abeyance pending the decision by the lender on ADSB's application to restructure the loan. On 20 August 2010, the lender subsequently agreed to restructure the term loan, of which the new terms include the requirement to repay USD6 million of the term loan by 31 December 2010.

ADSB was unable to meet the abovementioned USD6 million restructured repayment on 31 December 2010 and had, on 31 May 2011, obtained a further agreement from the lender to keep the repayment in abeyance pending the ongoing negotiations to restructure the loan facility. As at 30 June 2011, the loan outstanding in the books of ADSB is approximately USD23.95 million.

Petrol One Resources Berhad ("PORB") also entered into negotiations with its lender to restructure its term loan as it was unable to meet its bridging loan principal repayment amounting to RM8.5 million due as at 31 January 2011. On 31 January 2011, PORB obtained an agreement from the lender to keep the repayment in abeyance pending the ongoing negotiations to restructure the loan facility. As at 30 June 2011, the loan outstanding in the books of PORB is approximately RM7.5 million.

In order to meet its loan obligations, the Group is planning various capital fund raising exercises, which include share placement and rights issue.

PORB had on 17 January 2011 proposed private placement of up to 4,619,884 new ordinary shares of RM1.00 each in PORB representing up to 10% of the existing issued and paid-up capital of the Company.

Approval from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on 1 March 2011 for the proposed private placement.

On 31 March 2011, PORB allotted 2,140,000 new ordinary shares of RM1.00 each fully paid up to increase the Share Capital by RM2,140,000 and Share Premium Account by RM856,000.

The private placement was completed after PORB further allotted 2,074,000 and 392,000 new ordinary shares of RM1.00 each fully paid up on 21 April 2011 and 6 May 2011 respectively to increase the Share Capital by RM2,466,000 and Share Premium Account by RM978,560.

On 20 May 2011, PORB proposed to undertake the following: -

- (i) proposed renounceable rights issue of up to 50,804,845 new ordinary shares of RM1.00 each in PORB ("PORB Shares") ("Rights Shares") at an issue price of RM1.00 per share together with up to 50,804,845 free detachable warrants in PORB ("Rights Warrants") on the basis of one (1) Rights Share and one (1) free Rights Warrant for every one (1) existing PORB Share held as at an entitlement date to be determined later ("Proposed Rights Issue with Warrants");



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 JUNE 2011

(ii) proposed private placement of up to 10,160,969 new PORB Shares, representing up to 10% of the enlarged issued and paid-up share capital of PORB after the Proposed Rights Issue with Warrants, at an issue price to be determined later (“**Proposed Private Placement**”);

(iii) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 PORB Shares to RM500,000,000 comprising 500,000,000 PORB Shares (“**Proposed Increase in Authorised Share Capital**”); and

(iv) proposed amendments to the Memorandum and Articles of Association of PORB (“**M&A**”) pursuant to the Proposed Increase in Authorised Share Capital (“**Proposed M&A Amendments**”).

On 11 June 2011, ADSB entered into the Master Agreement relating to Vessels Swap Transaction with Nathalin Offshore Company Limited ("NOC") to swap ADSB's vessel named "MT Taurus" with "MT One Emerald" (formerly known as "MT Titan Gemini") owned by NOC subject to the terms and conditions of the Master Agreement (“**Proposed Vessels Swap**”).

The Proposed Vessels Swap enables PORB Group to regularise its operation and it is part of the Group's business strategy for the fleet renewal programme. It is expected that upon completion of the Proposed Vessel Swap and ownership of MT One Emerald by ADSB, ADSB shall be able to generate charter income of a fixed monthly fee of USD841,000 from a Time Charter Agreement entered into between ADSB and NOC dated 11 June 2011 for the provision of storage facility and off-loading services on board MT One Emerald. With this, PORB Group is expected to improve its overall financial performance by the next following year.

The above conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and Company to continue as a going concern and therefore the Group and Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The validity of the going concern assumption is dependent upon the successful implementation of its planned capital fund raising exercises, the continuous financial support from the lenders and the ability of the Group and Company to attain profitable operations in the future. The interim financial statements do not include any adjustments that may be necessary should the going concern assumption not be appropriate.

A2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2010 except as described below:

(a) Property, plant and equipment

The Group has adopted a revaluation policy on its property, plant and equipment. The Group revalues its vessels every three (3) years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surplus arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same vessel. In all other cases, a decrease in carrying amount is recognised in profit or loss.

(b) Adoption of the following new/revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations, which were effective for this financial period beginning 1 July 2010:

FRS 4, Insurance Contracts

FRS 7, Financial Instruments: Disclosures

FRS 101, Presentation of Financial Statements (revised)

FRS 123, Borrowing Costs (revised)

FRS 139, Financial Instruments: Recognition and Measurement

Amendments to FRS 1, First-time Adoption of Financial Reporting Standards

Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 7, Financial Instruments: Disclosures

Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 JUNE 2011

Amendments to FRS 132, Financial Instruments: Presentation
- Puttable Financial Instruments and Obligations Arising on Liquidation
- Separation of Compound Instruments
Amendments to FRS 139, Financial Instruments: Recognition and Measurement
Improvements to FRSs (2009)
IC Interpretation 9, Reassessment of Embedded Derivatives
IC Interpretation 10, Interim Financial Reporting and Impairment
IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13, Customer Loyalty Programmes
IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 15: Agreements for the Construction of Real Estate
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Additional Exemptions for First-time Adopters
Amendments to FRS 7, Financial Instrument: Disclosure - Improving Disclosures about Financial Instruments
Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions
IC Interpretation 4 Determining whether an Arrangement contains a Lease
IC Interpretation 18 Transfers of Assets from Customers

The adoption of the above new/revised FRSs, Amendments to FRSs and interpretations will not have significant impact on the financial statements of the Group and Company. The principal effects of the changes in accounting policies resulting from the adoption of the above new/revised FRSs, Amendments to FRSs and Interpretations are summarized below:

FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The gains/(losses) that were recognised directly in equity in the preceding year/corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income is presented separately in the statement of comprehensive income and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity and the comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and will not have any impact on the earnings per share.



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 JUNE 2011

FRS 139, Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives and their corresponding gains/(losses) were only recognized on their settlement dates. Outstanding derivatives at the reporting date were not recognized. With the adoption of FRS 139, such financial derivatives will be recognized at contract dates as financial assets or financial liabilities and the measurement of such contracts would be at fair value through profit and loss. In accordance with the transitional provisions of this standard, the required changes are applied prospectively and the comparative information are not restated. This standard has no significant impact on the financial position and results of the Group.

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, Interpretations, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS and Interpretations	Effective for financial periods beginning on or after
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

The new FRSs, Interpretations, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements of the Company and its subsidiaries for the financial year ended 30 June 2010 were not qualified.

A4. SEGMENTAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Oil and gas	7,821	9,449	30,541	30,987
Revenue from discontinued operation	-	17,490	3,229	38,794
Total	<u>7,821</u>	<u>26,939</u>	<u>33,770</u>	<u>69,781</u>
Segment Results				
Results from continuing operations:				
Oil and gas	(14,350)	(3,961)	(28,496)	(2,280)
Others	(893)	(220)	1,382	(1,168)
	<u>(15,243)</u>	<u>(4,181)</u>	<u>(27,114)</u>	<u>(3,448)</u>
Results from discontinued operation	-	4	87	(95)
Total	<u>(15,243)</u>	<u>(4,177)</u>	<u>(27,027)</u>	<u>(3,543)</u>



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 JUNE 2011**

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2011.

A6. CHANGES IN ESTIMATES

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

A7. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected by any significant seasonal or cyclical fact in the current quarter with the exception of the current global economic downturn.

A8. DIVIDENDS PAID

There is no dividend paid during the quarter under review.

A9. DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the current quarter under review except for the following:

On 21 April 2011 and 9 May 2011, the Company allotted 2,074,000 and 392,000 respectively new ordinary shares of RM1.00 each fully paid up to increase the Share Capital by RM2,466,000 and Share Premium Account by RM978,560.

A10. CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 June 2011 is as follows:

	RM'000
Property, plant and equipment	
Contracted but not provided for	1,280
	=====

A11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2011, the group has given corporate guarantees to banks and financial institutions for subsidiaries banking facilities totalling to RM120 million.

A12. CHANGES IN COMPOSITION OF THE GROUP

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

A13. DISCONTINUED OPERATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER		CURRENT YEAR TO DATE	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	-	17,490	3,229	38,794
Profit before tax	-	420	87	321
Income tax expense	-	(416)	-	(416)
Profit/(Loss) for the year from discontinued operations	-	4	87	(95)



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 JUNE 2011**

B1. PERFORMANCE REVIEW

The Group registered a revenue of RM7.82 million for the current quarter ended 30 June 2011 which is 17.2% decrease as compared to RM9.45 million achieved in the corresponding quarter of the preceding year. The lower revenue was due to the loss of charter income from MT Taurus.

The higher loss before tax of RM25.46 million for the the current quarter compare to RM3.18 million in the corresponding quarter of the preceding year primarily due to the impairment of MT Taurus amounting to RM23.01 million following the revaluation of the vessel.

B2. VARIANCE OF QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER

The Group recorded a revenue of RM7.82 million for the current quarter under review compared to the immediate preceding quarter of RM7.55 million. The revenue was marginally higher by 3.58% due to the gain from extra service of vessel.

The Group loss before tax is higher at RM25.46 million for the current quarter from RM3.56 million registered in the immediate preceding quarter. The higher loss was mainly due to the impairment of MT Taurus.

B3. COMMENTARY ON PROSPECTS

On 11 June 2011, ADSB entered into the Master Agreement relating to Vessels Swap Transaction with Nathalin Offshore Company Limited ("NOC") to swap ADSB's vessel named "MT Taurus" with "MT One Emerald" (formerly known as "MT Titan Gemini") owned by NOC subject to the terms and conditions of the Master Agreement ("**Proposed Vessels Swap**").

The Proposed Vessels Swap enables PORB Group to regularise its operation and it is part of the Group's business strategy for the fleet renewal programme. It is expected that upon completion of the Proposed Vessel Swap and ownership of MT One Emerald by ADSB, ADSB shall be able to generate charter income of a fixed monthly fee of USD841,000 from a Time Charter Agreement entered into between ADSB and NOC dated 11 June 2011 for the provision of storage facility and off-loading services on board MT One Emerald. With this, PORB Group is expected to improve its overall financial performance by the next following year.

B4. VARIANCE OF ACTUAL AND PROFIT FORECAST

Not applicable to the Group did not issue any profit forecast for the current financial year.

B5. TAXATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR	TO DATE
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM '000	RM '000	RM '000	RM '000
Deferred tax				
- origination and reversal of temporary differences	(10,220)	1,002	(10,944)	1,002
Total	<u>(10,220)</u>	<u>1,002</u>	<u>(10,944)</u>	<u>1,002</u>

B6. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

B7. QUOTED SECURITIES

There were no purchase and disposal of quoted securities during the current quarter under review.



PETROL ONE RESOURCES BERHAD (Incorporated in Malaysia)
(Formerly known as Changhuat Corporation 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 JUNE 2011**

B8. STATUS OF CORPORATE PROPOSAL

Petrol One Resources Berhad ("PORB") had on 17 January 2011 proposed private placement of up to 4,619,884 new ordinary shares of RM1.00 each in PORB representing up to 10% of the existing issued and paid-up capital of the Company.

Approval from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on 1 March 2011 for the proposed private placement.

On 31 March 2011, PORB allotted 2,140,000 new ordinary shares of RM1.00 each fully paid up to increase the Share Capital by RM2,140,000 and Share Premium Account by RM856,000.

The private placement was completed after PORB further allotted 2,074,000 and 392,000 new ordinary shares of RM1.00 each fully paid up on 21 April 2011 and 6 May 2011 respectively to increase the Share Capital by RM2,466,000 and Share Premium Account by RM978,560.

On 20 May 2011, PORB proposed to undertake the following: -

(i) proposed renounceable rights issue of up to 50,804,845 new ordinary shares of RM1.00 each in PORB ("**PORB Shares**") ("**Rights Shares**") at an issue price of RM1.00 per share together with up to 50,804,845 free detachable warrants in PORB ("**Rights Warrants**") on the basis of one (1) Rights Share and one (1) free Rights Warrant for every one (1) existing PORB Share held as at an entitlement date to be determined later ("**Proposed Rights Issue with Warrants**");

(ii) proposed private placement of up to 10,160,969 new PORB Shares, representing up to 10% of the enlarged issued and paid-up share capital of PORB after the Proposed Rights Issue with Warrants, at an issue price to be determined later ("**Proposed Private Placement**");

(iii) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 PORB Shares to RM500,000,000 comprising 500,000,000 PORB Shares ("**Proposed Increase in Authorised Share Capital**"); and

(iv) proposed amendments to the Memorandum and Articles of Association of PORB ("**M&A**") pursuant to the Proposed Increase in Authorised Share Capital ("**Proposed M&A Amendments**").

On 16 August 2011, PORB has submitted the relevant application pertaining to the above Proposal to Bursa Malaysia Securities Berhad and Bank Negara Malaysia ("BNM").

BNM vide its letter dated 23 August 2011 has approved the following:

(i) proposed issue of warrants in PORB ("Rights Warrants") to non-residents of Malaysia pursuant to the Proposed Rights Issue with Warrants;

(ii) future issuance of warrants in PORB to non-residents of Malaysia pursuant to any adjustment to the number of Rights Warrants in accordance with the terms of the deed poll constituting the Rights Warrants to be executed by the Company.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 JUNE 2011**

On 11 June 2011, ADSB entered into the Master Agreement relating to Vessels Swap Transaction with Nathalin Offshore Company Limited ("NOC") to swap ADSB's vessel named "MT Taurus" with "MT One Emerald" (formerly known as "MT Titan Gemini") owned by NOC subject to the terms and conditions of the Master Agreement ("**Proposed Vessels Swap**").

The Proposed Vessels Swap enables PORB Group to regularise its operation and it is part of the Group's business strategy for the fleet renewal programme. It is expected that upon completion of the Proposed Vessel Swap and ownership of MT One Emerald by ADSB, ADSB shall be able to generate charter income of a fixed monthly fee of USD841,000 from a Time Charter Agreement entered into between ADSB and NOC dated 11 June 2011 for the provision of storage facility and off-loading services on board MT One Emerald.

On 11 June 2011, ADSB also entered into a Master Agreement relating to Joint Venture with NOC ("JV Agreement") to subscribe for the equity of a joint venture company ("JV Co Shares") to be incorporated and registered in Thailand ("JV Co") for the purpose of investing in a new vessel ("Proposed JV").

The JV Co shall be incorporated and registered in Thailand with an initial capital of Baht 1 Million (Baht One Million), the total shares of which shall be wholly owned by NOC. Subsequently, the JV Co will increase its capital to Baht 150 Million (Baht One Hundred and Fifty Million), and the increased Shares shall be subscribed by each party in the following manner:-

(i) On or before 15 September 2011, NOC and/or its designated person(s) shall subscribe and pay for the JV Co Shares for an additional Baht 74 Million (Baht Seventy Four Million) which shall result in NOC and/or its designated person(s) holding 50% of the total JV Co Shares;

(ii) ADSB and/or its designated person(s) shall subscribe and pay for the JV Co Shares for an amount of Baht 75 Million (Baht Seventy Five Million), which shall result in each of ADSB and ADSB's designated person shall owning 49% and 1% of the JV Co Shares respectively;

The principal activities of the JV Co shall be provision of petrol vessel for oil and gas companies and related services.

The Proposed JV presents an immediate opportunity for PORB Group to participate in any direct negotiations, invitation to bids and requests for new proposals for floating storage and off-loading business, to be undertaken by Malaysian and regional oil companies, where the demand is increasing within the backdrop of higher oil prices.

The Proposed JV would enable PORB Group to indirectly expand its vessel fleet and directly improve its overall financial performance by the next financial year.

B9. GROUP BORROWINGS

	As at 30/6/2011 RM '000	As at 30/06/2010 RM '000
Short term borrowings		
Secured	90,444	47,346
Long term borrowings		
Secured	29,017	97,362
Total	<u>119,461</u>	<u>144,708</u>

As disclosed in Note A1, ADSB was unable to meet the abovementioned USD6 million restructured repayment on 31 December 2010 and had, on 31 May 2011, obtained a further agreement from the lender to keep the repayment in abeyance pending the ongoing negotiations to restructure the loan facility.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 JUNE 2011**

Petrol One Resources Berhad ("PORB") also entered into negotiations with its lender to restructure its term loan as it was unable to meet its bridging loan principal repayment amounting to RM7.5 million due as at 31 January 2011. On 31 January 2011, PORB obtained an agreement from the lender to keep the repayment in abeyance pending the ongoing negotiations to restructure the loan facility.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B11. CHANGES IN MATERIAL LITIGATION

The Group does not have any material litigation at the date of this quarterly report.

B12. LOSS PER SHARE

a) Basic

Basic loss per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue of 50,804,845 during the reporting period.

b) Diluted

There is no dilution in loss per share as the Company does not have any convertible financial instrument as at the end of the current quarter under review.

**B13. 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 the Bursa Malaysia Securities Berhad.

	As at 30/6/2011 (Unaudited)	
	Group	Company
Total accumulated losses of the Company and its subsidiaries:	-	-
- realised	(16,044)	3,426
- unrealised	2,939	-
	<u>(13,105)</u>	<u>3,426</u>
Consolidated adjustments	(26,646)	-
Total accumulated losses / earnings	<u>(39,751)</u>	<u>3,426</u>



PETROL ONE RESOURCES BERHAD (Incorporated in Malaysia)
(Formerly known as Changhuat Corporation 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 JUNE 2011**

B14. 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 24 August 2011.

By Order of the Board

LEE WEI HONG
Executive Director
Date : 29 August 2011