

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2015 RM '000	PRECEDING YEAR QUARTER 30/9/2014 RM '000	CURRENT YEAR TO DATE 30/9/2015 RM '000	PRECEDING YEAR TO DATE 30/9/2014 RM '000
Revenue	2,455	3,348	2,455	3,348
Cost of sales	(963)	(1,204)	(963)	(1,204)
Gross profit	1,492	2,144	1,492	2,144
Other income	3,251	403	3,251	403
Administration expenses	(1,051)	(741)	(1,051)	(741)
Other operating expenses	-	-	-	-
Other operating income	-	-	-	-
Finance costs	(134)	(1,126)	(134)	(1,126)
Profit/(Loss) before tax	3,558	680	3,558	680
Income tax (expense)/benefit	(5)	(5)	(5)	(5)
Profit/(Loss) for the period attributable to owners of the Company	3,553	675	3,553	675
Other comprehensive loss:				
Foreign currency translation differences	(14,659)	(1,483)	(14,659)	(1,483)
Reversal of revaluation surplus	-	-	-	-
Total comprehensive loss attributable to owners of the Company	(11,106)	(808)	(11,106)	(808)
Profit/(Loss) per ordinary shares (sen) attributed to equity holders of the Company :				
Basic	6.99	1.33	6.99	1.33
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 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	AS AT 30/9/2015 RM '000	AS AT 30/06/2015 RM '000
ASSETS		
Non-current assets		
Plant and equipment	3,519	3,169
Current assets		
Trade and other receivables	10,943	9,617
Cash and bank balances	1,211	80
	<u>12,154</u>	<u>9,697</u>
TOTAL ASSETS	<u><u>15,673</u></u>	<u><u>12,866</u></u>
EQUITY AND LIABILITIES		
Share capital	50,805	50,805
Share premium	12,669	12,669
Reserve	(173,472)	(162,366)
Equity attributable to equity holders of the Company	<u>(109,998)</u>	<u>(98,892)</u>
Non-current liabilities		
Borrowings	123	126
Current liabilities		
Borrowings	60,221	52,215
Trade and other payables	59,781	56,095
Amount due to directors	5,521	3,282
Provision for taxation	25	40
	<u>125,548</u>	<u>111,632</u>
Total liabilities	<u>125,671</u>	<u>111,758</u>
TOTAL EQUITY AND LIABILITIES	<u><u>15,673</u></u>	<u><u>12,866</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>(2.1651)</u>	<u>(1.9465)</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	←----- Non-distributable -----→			----- Attributable to Equity Holders of the Company -----→	
	Share Capital RM '000	Share Premium RM '000	Translation reserve RM '000	(Accumulated losses) RM '000	Total RM '000
At 1 July 2014	50,805	12,669	(4,864)	(148,372)	(89,762)
Foreign currency translation difference	-	-	(1,483)	-	(1,483)
Profit for the period	-	-	-	675	675
Total comprehensive loss	-	-	(1,483)	675	(808)
At 30 September 2014	50,805	12,669	(6,347)	(147,697)	(90,570)
At 1 July 2015	50,805	12,669	(18,448)	(143,918)	(98,892)
Foreign currency translation difference	-	-	(14,659)	-	(14,659)
Profit for the period	-	-	-	3,553	3,553
Total comprehensive loss	-	-	(14,659)	3,553	(11,106)
At 30 September 2015	50,805	12,669	(33,107)	(140,365)	(109,998)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	3 months ended	
	30/9/2015 RM '000	30/9/2014 RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	3,558	680
Adjustment for :		
Depreciation	93	82
Interest expense	134	1,126
Unrealised foreign exchange gain - net	(3,237)	(402)
Operating profit/(loss) before changes in working capital	548	1,486
Trade and other receivables	(59)	(1,212)
Trade and other payables	665	(139)
Cash generated from operating activities	1,154	135
Income taxes paid	(20)	-
Net cash generated from operating activities	1,134	135
Cash flows from investing activities		
Acquisition of plant and equipment	(1)	-
Net cash used in investing activities	(1)	-
Cash flows from financing activities		
Repayment of finance lease liabilities	(2)	(3)
Net cash used in financing activities	(2)	(3)
Net increase in cash and cash equivalents	1,131	132
Cash and cash equivalents at beginning of financial period	80	24
Cash and cash equivalents at end of financial period	1,211	156

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 2015

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 2015. 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 2015.

As at 30 September 2015, the current liabilities of the Group exceeded its current assets by RM113.394 million and the Group had a negative shareholder's equity of RM109.998 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 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.

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 2015**

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 approval and 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's audited financial statements for the financial year ended 30 June 2015 contained the following disclaimer of opinion on the financial statements.

1. Basis of Disclaimer of Opinion

- (i) For the year ended 30 June 2015, the Group had a profit of RM4,453,845 (2014: loss of RM6,177,253) and the Company incurred a loss of RM1,600,984 (2014: RM4,266,779), respectively and, as of that date, the current liabilities of the Group exceeded its current assets by RM101,935,369 (2014 : RM92,732,476) and the Group had a deficit in shareholder's equity of RM98,892,153 (2014: RM89,762,572).
- (ii) 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 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. 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. As at 30 June 2015, as disclosed in Note 7.2 to the financial statements, the loan outstanding in the books of the Company and ADSB amounted to RM4,036,000 (2014 : RM7,496,000) and USD12,087,851 (2014: USD11,010,597), respectively.
- (iii) 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"). The PN17 criteria was triggered as a result of the shareholders' equity of the Group on a consolidated basis was less than 25% of its issued and paid-up capital (excluding treasury shares) and was less than RM40,000,000
- (iv) On 15 November 2013, the Company made its Requisite Announcement whereby 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. The Proposed Regularisation Plan was submitted to Bursa Malaysia on 28 March 2014 and the relevant announcement was made on the same day. 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, which have yet to be met as of the date of this report.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

- (v) As disclosed in Note 1(b) to the financial statements, 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.

In view of the incomplete status of the debt restructuring as 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 financial statements have been prepared by the Directors, on the historical cost basis and on the assumption that the Group and the Company are going concerns. However, 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 at 30 June 2015, the carrying value of marine equipment of the Group, as disclosed in Note 3 to the financial statements, amounted to RM2,559,429 (2014 : RM2,339,145). Included in this balance is an amount of USD559,314 (2014: USD594,271) relating to an item of marine equipment which has not been in use since the disposal of the vessel owned by a subsidiary, One Petroleum (L) Limited. Based on our discussion with management, we were informed that management has plans for the future use of the marine equipment. However, as of the date of this report, the plans have yet to be implemented. Hence, we were unable to obtain sufficient audit evidence to support the aforesaid carrying value of the item of marine equipment. Consequently, we are unable to verify the appropriateness of the carrying value of the aforesaid marine equipment as at 30 June 2015.
3. As at 30 June 2015, the carrying value of investments in subsidiaries and amount due from subsidiaries in the books of the Company, as disclosed in Note 4 and Note 5 to the financial statements, amounted to RM939,177 (2014: RM939,177) and RM69,556,715 (2014: RM70,753,545), respectively. There were no projections of future cash flows prepared by management to support the aforesaid carrying value of investments in subsidiaries and amount due from subsidiaries. Consequently, we are unable to verify the appropriateness of the carrying value of investments in subsidiaries and amount due from subsidiaries in the books of the Company as at 30 June 2015.

The matters stated above were unresolved since the preceding financial year and formed the basis of disclaimer of opinion on the financial statements of the Group and Company for the financial year ended 30 June 2014.

4. For the financial year ended 30 June 2015, advisory services income of the Group, as disclosed in Note 10 to the financial statements, amounted to RM7,371,145. The cost of sales associated with these services amounted to RM1,518,753. We noted that the advisory services income and the cost of sales recognised comprised mainly fixed monthly income/charges and that the gross margin earned during the financial year is approximately 79% amounting to RM5,852,392.

Included in the advisory services income are billings for ship to ship transfer services to a company registered in the British Virgin Islands (“BVI customer”) amounting to USD1,380,000 or approximately RM4,775,628. We noted that the correspondence address of the BVI customer stated in the contract for services and monthly invoices is an invalid address. We further noted that cash receipts amounting to USD460,000 have been recorded as received from this BVI customer up to September 2014. Subsequent to year end, USD200,000 and USD300,000

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

- were further recorded as received on 7 September 2015 and 29 October 2015, respectively. These payments were not received directly from the BVI customer. Based on the information available, we are unable to ascertain the appropriateness of the said revenues recognised during the year of USD1,380,000.
5. As at 30 June 2015, the carrying value of trade receivables of the Group, as disclosed in Note 5 to the financial statements, amounted to RM8,371,372. Included in this balance is an amount of USD1,265,000 (approximately RM4,788,658) due from the abovementioned BVI company in relation to advisory services as at 30 June 2015. We are unable to obtain sufficient audit evidence to ascertain the recoverability of this balance. Consequently, we are unable to ascertain the appropriateness of the carrying value of the said trade receivable balance as at 30 June 2015.
 6. As disclosed in Note 7.2 to the financial statements, the Company and a subsidiary, ADSB, have entered into a loan restructuring arrangement in respect of their defaulted loans. The Company and ADSB have not recognised interest expense on their defaulted loans since 21 November 2014 as the Directors were of the view that, pursuant to the SSA entered into on that date, there is no likelihood of any further interest payable on the loan obligations. The Company and ADSB, however, have not recorded the effect of the waiver of the debt pending the completion of the disposal of the pledged shares. The impact of the interest expense not recognised would have decreased the pre-tax profit of the Company and ADSB by an amount of RM175,703 and RM2,491,784, respectively. We are unable to obtain sufficient audit evidence to ascertain the obligations of the Company and ADSB in respect of interest expense on the loans subsequent to the date of the SSA. Consequently, we are unable to verify the adequacy of the accruals for interest expense for the year ended 30 June 2015.
 7. As at 30 June 2015, the carrying value of other receivables of the Group, as disclosed in Note 5 to the financial statements, amounted to RM1,043,265. Included in this balance is an amount of RM881,165 relating to expenses paid on behalf of a third party. We are unable to obtain sufficient audit evidence to ascertain the appropriateness of the carrying amount.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

A3. SEGMENTAL INFORMATION

The revenue of the Group was contributed by its subsidiaries who are principally engaged in the provision of overall advisory services that include technical and commercial management services in the Oil and Gas industry. Technical management services include assisting in the arrangement and supervision of mooring and unmooring procedure, as well as ship to ship transfer operations for the cargo stored on the vessel. 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 is in compliance with the appropriate requirements of the relevant laws. The Group ventured into the provision of safety standby vessel services on a back to back vessel charter basis through its wholly owned immediate subsidiary, namely Petrol One Holdings Sdn Bhd. Two contracts under its chartered vessels, namely Inspirasi 1 and Inspirasi 2 commenced operation on 3 May 2014.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER		CURRENT YEAR TO DATE	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Oil and gas	2,455	3,348	2,455	3,348
	<u>2,455</u>	<u>3,348</u>	<u>2,455</u>	<u>3,348</u>

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER		CURRENT YEAR TO DATE	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Segment Results				
Oil and gas	406	1,946	406	1,946
Others	3,147	(1,271)	3,147	(1,271)
	<u>3,553</u>	<u>675</u>	<u>3,553</u>	<u>675</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 with the exception of the vagaries of the current global economic situation.

A7. DIVIDENDS PAID

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

A8. DEBT AND EQUITY SECURITIES

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

PETROL ONE RESOURCES BERHAD

(Company No. : 333769-X)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER ENDED 30 SEPTEMBER 2015

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 30/9/2015 RM'000
Corporate guarantee given to secure banking facilities for a subsidiary	<u>53,925</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

There are no material events subsequent to the end of the period under review that have not been reflected in the interim financial statements.

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 2015**

B1. REVIEW OF PERFORMANCE

Revenue for the Group represents fee charged in providing overall advisory services for ship to ship transfer operations as well as safety standby vessels services in the oil and gas industry. The Group registered revenue of approximately RM2.455 million for the current quarter ended 30 September 2015 as compared to approximately RM3.348 million in the preceding year's quarter. The lower revenue for the current quarter is due to the dry dock work being carried out on one of the customer's vessel in which the Group provides surveyor/consultation services on ship to ship transfer operations. Revenue during the dry dock period was suspended as the ship has left Malaysian waters.

Notwithstanding, the Group posted a profit before tax of approximately RM3.558 million for the current quarter ended 30 September 2015 as compared to a profit before tax of approximately RM680,000 in the corresponding quarter of the preceding year. The profit in the current quarter was mainly contributed by profitable operations, strategic costs control and gain in foreign exchange as most of the Group revenue are billed in the United States dollars.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group registered revenue of approximately RM2.455 million for the current quarter ended 30 September 2015 which is a 23% higher as compared to approximately RM1.992 million achieved in the preceding quarter. The increase in revenue is mainly due to strengthening of the exchange rate for US dollar against Ringgit Malaysia.

The Group posted a profit before tax of approximately RM3.557 million for the current quarter ended 30 September 2015 as compared to the immediate preceding quarter's profit before tax of RM538,000. The increase is mainly due to strengthening of the exchange rate for US dollar against Ringgit Malaysia.

B3. COMMENTARY ON PROSPECTS

Given the prospects of the oil and gas industry, the Board is optimistic of the market condition as demand for floating storage for oil and related products as well as related services, such as the provision of safety standby vessel services, remains robust 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	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current year	5	5	5	5
- Prior year	-	-	-	-
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Deferred tax				
- origination and reversal of temporary differences	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

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:-

1. 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.
2. 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 30/9/2015 RM'000	In foreign Currency
Short term borrowings:		
<u>Secured</u>		
Denominated in Ringgit Malaysia		
Term loan	4,036	-
Finance lease liabilities	10	-
Denominated in US Dollar		
Term loan	53,925	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	123	-
Total borrowings	60,344	

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

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**

On 20 October 2014, the Company received a notice of demand pursuant to Section 218 of the Act dated 20 October 2014 from Messrs. Faidz, Leong & Chong, (“Notice of Demand”), demanding for a payment of RM543,056 as at 5 August 2013 owed by ADSB in respect of services rendered by Silverline Maritime Sdn Bhd (“Silverline”) between 1 September 2007 and 7 November 2009 for the vessel “Taurus” (since sold vide a judicial sale in 2013).

Silverline claims were made up of the following:-

- (i) the sum of RM543,056 as at 5 August 2013;
- (ii) agreed interest at the rate of 8% per annum on the sum of RM538,058 from 6 August 2013 until full settlement; and
- (iii) cost of RM4,104.

In accordance with the Notice of Demand, if PORB fails to comply with the terms contained in the Notice of Demand within 21 days from the date of service of the Notice of Demand, legal proceedings may be commenced against PORB pursuant to Section 218 of the Act.

However, the Scheme of Arrangement duly voted upon and approved at the Court Convened Meetings of PORB, ADSB and OPLL respectively on 7 July 2014 with the Scheme Creditors pursuant to Section 176 of the Act, has been approved by the High Court of Malaya on 15 August 2014 pursuant to Sections 176(3) and 176(4) of the Act (“Court Order”) and Silverline is one of the Scheme Creditors of the Scheme under ADSB.

Therefore, the Scheme shall be valid and binding on the Company as well as its wholly-owned indirect subsidiaries, namely ADSB and OPLL (collectively defined herein as “Companies”) and their scheme creditors until the calling of such meeting with the members of the Companies in which the members may approve the Scheme by majority in number representing three-fourths (3/4) in value of the members or class of members who will be present and voting at the members’ meeting.

In view of the Court Order, Silverline is therefore subject to and bound by the Scheme. Hence, Silverline cannot proceed to commence action against PORB and/or ADSB based on the aforesaid claim if the period of 21 days lapses. PORB’s solicitors replied to this effect to Messrs Faidz, Leong & Chong on 30 October 2014. On 6 November 2014, Messrs Faidz, Leong & Chong wrote to inform that Silverline will not proceed with any Winding-up Petition until and unless they obtain the required exemption against the effect of the S176 order. Accordingly, Messrs Faidz, Leong & Chong also confirmed Silverline’s withdrawal of the statutory demand served on 20 October 2014 with liberty to re-issue.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

On 21 November 2014, Silverline submitted an application to the High Court, Kuala Lumpur for leave and exemption from the approved Scheme of Arrangement. On 8 May 2015 the High Court granted an order in favour of Silverline's application. Although the Scheme is not set aside, Silverline is now allowed amongst others, to be exempted from the Scheme and it is allowed to pursue the execution of the judgement dated 11 June 2014 which had been previously granted by the Sessions Court.

The Company had on 3 June 2015 filed a Notice of Appeal to the Court of Appeal in relation to the orders allowed by the High Court on 8 May 2015 pursuant to the application made by Silverline. The Court of Appeal has fixed the hearing date on 27 November 2015.

On 9 June 2015, the Company filed a Notice of Application to the Sessions Court against the Summary Judgement dated 11 June 2014 and for a Stay of Execution of this Summary Judgement. At the case management fixed on 15 July 2015, the application for the Stay of Execution of the Judgement dated 11 June 2014 was dismissed by the Sessions Court while the application against the Summary Judgement was ruled out of time. On 27 July 2015 the Company, through its lawyers filed an appeal to the High Court against the dismissal of the stay application by the Sessions Court and also filed an application at the High Court for an extension of time. The High Court fixed the next case management date for the application for an extension of time on 7 December 2015. The appeal to the High Court for the stay of execution of the Summary Judgement dated 11 June 2014 is fixed for hearing also on 7 December 2015.

On 9 June 2015, the Company also filed a Notice of Application to the High Court for a Stay of Execution of the High Court Order dated 8 May 2015. The High Court granted the stay application pending the Court of Appeal hearing fixed on 27 November 2015.

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.

B11. OPERATING PROFIT BEFORE TAXATION

**3 months
ended
30/9/2015**

Operating profit arrived at after charging/(crediting):

Bad debts	-
Depreciation	94
Foreign exchange loss/(gain):	
Realised	(13)
Unrealised	(3,237)
Interest expense	134

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

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 30/9/2015 RM'000	As at 30/6/2015 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(91,245)	(95,178)
- unrealised	3,237	3,617
	<u>(88,008)</u>	<u>(91,561)</u>
Consolidated adjustments	(52,358)	(52,358)
Total accumulated losses	<u>(140,366)</u>	<u>(143,919)</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 25 November 2015.