

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/09/2017 RM '000	30/09/2016 RM '000	30/09/2017 RM '000	30/09/2016 RM '000
Revenue	3,353	2,904	3,353	2,904
Cost of sales	(1,792)	(1,097)	(1,792)	(1,097)
Gross profit	1,561	1,807	1,561	1,807
Other income				
- Others	-	2	-	2
- Unrealised foreign exchange gain	-	409	-	409
Administration expenses				
- Others	(1,424)	(1,384)	(1,424)	(1,384)
- Unrealised foreign exchange loss	(474)	-	(474)	-
Other operating expenses	-	-	-	-
Other operating income	-	-	-	-
Finance costs	-	(132)	-	(132)
<b>Profit / (Loss) before tax</b>	<b>(337)</b>	<b>702</b>	<b>(337)</b>	<b>702</b>
Income tax (expense)/benefit	(5)	-	(5)	-
<b>Profit / (Loss) for the period attributable to owners of the Company</b>	<b>(342)</b>	<b>702</b>	<b>(342)</b>	<b>702</b>
<b>Other comprehensive loss:</b>				
Foreign currency translation differences	1,379	2,759	1,379	2,759
Reversal of revaluation surplus	-	-	-	-
<b>Total comprehensive loss attributable to owners of the Company</b>	<b>1,037</b>	<b>3,461</b>	<b>1,037</b>	<b>3,461</b>

**Profit / (Loss) per ordinary shares (sen) attributed to equity holders of the Company :**

Basic	(0.67)	1.38	(0.67)	1.38
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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	AS AT 30/09/2017 RM '000	AS AT 30/09/2016 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	3,896	4,183
<b>Current assets</b>		
Trade and other receivables	11,579	11,799
Cash and bank balances	2,893	443
	<u>14,472</u>	<u>12,242</u>
<b>TOTAL ASSETS</b>	<u><u>18,368</u></u>	<u><u>16,425</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	63,474	50,805
Share premium	-	12,669
Reserve	(170,073)	(168,814)
<b>Equity attributable to equity holders of the Company</b>	<u>(106,599)</u>	<u>(105,340)</u>
<b>Current liabilities</b>		
Borrowings	57,566	56,579
Trade and other payables	63,954	61,745
Amount due to directors	3,422	3,422
Provision for taxation	25	19
	<u>124,967</u>	<u>121,765</u>
<b>Total liabilities</b>	<u>124,967</u>	<u>121,765</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>18,368</u></u>	<u><u>16,425</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>(1.6794)</u>	<u>(2.0734)</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	←----- Attributable to Equity Holders of the Company -----→					Total RM '000
	←----- Non-distributable -----→					
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Translation reserve RM '000	(Accumulated losses) RM '000	
<b>At 1 July 2016</b>	50,805	12,669	-	(23,752)	(143,217)	(103,495)
Foreign currency translation difference Profit / (Loss) for the period	-	-	-	(5,978)	-	(5,978)
Total comprehensive loss	12,669	(12,669)	-	-	1,837	1,837
	12,669	(12,669)	-	(5,978)	1,837	(4,141)
<b>At 30 June 2017</b>	<b>63,474</b>	<b>-</b>	<b>-</b>	<b>(29,730)</b>	<b>(141,380)</b>	<b>(107,636)</b>
<b>At 1 July 2017</b>	63,474	-	-	(29,730)	(141,380)	(107,636)
Foreign currency translation difference Profit / (Loss) for the period	-	-	-	1,379	-	1,379
Total comprehensive loss	-	-	-	-	(342)	(342)
	-	-	-	1,379	(342)	1,037
<b>At 30 September 2017</b>	<b>63,474</b>	<b>-</b>	<b>-</b>	<b>(28,351)</b>	<b>(141,722)</b>	<b>(106,599)</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	3 months ended	
	30/09/2017 RM '000	30/09/2016 RM '000
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	(337)	702
Adjustment for :		
Depreciation	153	62
Interest expense	-	132
Unrealised foreign exchange (gain) / loss - net	474	(409)
Operating profit/(loss) before changes in working capital	290	487
Trade and other receivables	3,743	(1,907)
Trade and other payables	(1,232)	725
Cash generated from operating activities	2,801	(695)
Income taxes paid	-	-
<b>Net cash generated from operating activities</b>	<u>2,801</u>	<u>(695)</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	-	-
Acquisition of plant and equipment	-	(301)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(301)</u>
<b>Cash flows from financing activities</b>		
Repayment of term loans	-	-
Repayment of finance lease liabilities	-	-
Drawdown of term loan	-	-
Repayment to director	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	2,801	(996)
Cash and cash equivalents at beginning of financial period	92	1,439
Cash and cash equivalents at end of financial period	<u>2,893</u>	<u>443</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2017 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 2017****A1. BASIS OF PREPARATION**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 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 Financial Reporting Standard ("IFRS") issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 2016 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017. 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 2017.

As at 30 September 2017, the current liabilities of the Group exceeded its current assets by RM110.495 million and the Group had a negative shareholder's equity of RM106.599 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 formalized 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 Regularization Strategy") and the Proposed Regularization Plan to address its PN17 issues. The Proposed Regularization 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 Regularization 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 Regularization Plan. An announcement was made on 21 January 2015 incorporating the details of the variations. The Proposed Regularization 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 of 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 of that the Group is a going concern.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

In view of the matters set out above, there are material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern. The going concern assumption is dependent upon the implementation of the Regularization 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 realize their assets and discharge their liabilities in the normal course of business. Accordingly, the interim financial information may require adjustments relating to the recoverability and classification of recorded assets and to additional amount and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

**A2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report of the Company for the financial year ended 30 June 2017 contained a disclaimer of opinion by the Company's auditors, Messrs. Baker Tilly Monteiro Heng. The basis of the disclaimer is stated as below: -

*"Basis for Disclaimer of Opinion"*

1. As disclosed in Note 2.2, the financial statements have been prepared on the historical cost basis and on the assumption that the Group and the Company are going concerns. As at 30 June 2017, the Group recorded net current liabilities of RM111,723,215/- and capital deficiency of RM107,636,397/-. The Group and the Company have also recorded accumulated losses of RM141,379,679/- and RM6,651,692/- respectively.

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

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

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

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

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

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

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

*Basis for Disclaimer of Opinion (Continued)*

On 27 July 2017, the Company announced to Bursa that the Proposed Regularisation Plan will be revised as per followings: (i) from proposed capital reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965, involving the cancellation of RM0.90 of the par value of every existing ordinary share of RM1.00 each in the Company as per the approval letter revised to proposed capital reduction of the share capital of the Company pursuant to Section 115(a) and 116 of the Act 2016, (ii) no longer applicable on the Proposed Share Premium Reduction, (iii) from Proposed private placement of 200,000,000 placement shares to potential investors at an issue price of RM0.10 per placement share after the completion of the Proposed Capital Reduction and the Proposed Share Premium Reduction as per the approval letter to proposed private placement of 200,000,000 placement shares to identified investors at an issue price of RM0.10 per placement share after the completion of the Proposed Capital Reduction, (iv) No changes on the Proposed Rights Issue with Warrants, (v) no changes on the Scheme of Arrangement except the settlement amount, (vi) no longer applicable on the Proposed increase in the authorised share capital, and (vii) no longer applicable on the proposed amendment.

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

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

2. As disclosed in Note 5.1 included in plant and equipment of the Group is an item of marine equipment of USD571,160/- (equivalent to RM2,452,562/-) which has not been in use since the disposal of the vessel owned by a subsidiary, One Petroleum (L) Limited. We were unable to obtain sufficient appropriate audit evidence to support the aforesaid carrying value of the item of marine equipment.
3. As disclosed in Note 6 and Note 7, the carrying value of investments in subsidiaries and amount due from subsidiaries in the books of the Company, amounted to RM939,177/- and RM69,142,743/-, respectively. We are unable to ascertain the appropriateness of the carrying value of investments in subsidiaries and amount due from subsidiaries in the books of the Company.
4. The matters stated above were unresolved since the preceding financial year and formed the basis for disclaimer of opinion on the financial statements of the Group and Company for the financial year ended 30 June 2017. We were unable to determine whether adjustments to results of operations and opening accumulated losses might be necessary. Our opinion on the current year's financial statements is also modified because of the possible effects of these matters on the comparability of the current financial year's figures and corresponding figure.

*Disclaimer of Opinion*

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

**A3. SEGMENTAL INFORMATION**

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

The Land Storage Management is in respect of a fuel terminal located at Westport, Port Klang.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Oil & Gas: -				
Chartering Activity	1,042	966	1,042	966
Advisory Services	1,471	1,398	1,471	1,398
Storage Management	840	540	840	540
Others	-	-	-	-
	<u>3,353</u>	<u>2,904</u>	<u>3,353</u>	<u>2,904</u>

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM'000	RM'000	RM'000	RM'000
<b>Segment Results</b>				
Oil & Gas: -				
Chartering Activity	(715)	-	(715)	-
Advisory Services	1,214	720	1,214	720
Storage Management	(11)	80	(11)	80
Others	(830)	(98)	(830)	(98)
	<u>(342)</u>	<u>702</u>	<u>(342)</u>	<u>702</u>

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

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

**A5. CHANGES IN ESTIMATES**

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

**A6. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

**A7. DIVIDENDS PAID**

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

**A8. DEBT AND EQUITY SECURITIES**

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



# PETROL ONE RESOURCES BERHAD

(Company No.: 333769-X)

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## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER ENDED 30 SEPTEMBER 2017

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### A9. CAPITAL COMMITMENTS

There were no changes in capital commitments since the previous annual financial statements as at 30 June 2017.

### A10. CHANGES IN CONTINGENT LIABILITIES

The contingent liabilities of PORB are as follows:

	As at 30/09/2017 RM'000
Corporate guarantee given to secure banking facilities for a subsidiary	<u>53,530</u>

### A11. CHANGES IN COMPOSITION OF THE GROUP

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

### A12. SUBSEQUENT MATERIAL EVENTS

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

On 30 October 2017, the Company announced Annual Report for Financial Year Ended 30 June 2017 and Notice of Annual General Meeting will be held on 20 December 2017.

Apart from the above, there are no other material subsequent events.

### 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 2017**

**B1. REVIEW OF PERFORMANCE**

The Group registered revenue of approximately RM3.353 million for the current quarter ended 30 September 2017 as compared to approximately RM2.904 million in the preceding year's similar quarter. The marginal increase in revenue in current year's quarter over that of the preceding year similar quarter mainly due to the increase of monthly storage management revenue of RM100,000/- per month with effect from 1 April 2017.

The Group posted a loss before tax of approximately RM0.337 million for the current quarter ended 30 September 2017 as compared to a profit before tax of approximately RM0.702 million in the corresponding quarter of the preceding year due to the unrealized exchange loss of approximately RM0.474 million in current quarter as compared to unrealized exchange gain of RM0.409 million in the preceding year quarter. The profitability of the Group for the current year's quarter has also been eroded by the higher operating costs of its SSV.

**B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group registered revenue of approximately RM3.353 million for the current quarter ended 30 September 2017 as compared to approximately RM3.204 million achieved in the preceding quarter. The increase revenue was due to increase in the chartering rate for one of the SSV.

Nevertheless, the Group posted a loss before tax of approximately RM0.337 million for the current quarter ended 30 September 2017 as compared to the immediate preceding quarter's profit before tax of RM0.116 million. The current quarter loss before tax was mainly due to unrealized exchange loss of RM0.474 million and the high operating cost for the SSVs.

**B3. COMMENTARY ON PROSPECTS**

Base on the prevailing challenging sentiment in the oil and gas industry within the region and in the country, the Board is actively negotiating new rates for the Group SSVs and Storage Management as well as pursuing for new businesses to sustain the Group during this time.

**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 30/09/2017 RM'000	QUARTER 30/09/2016 RM'000	CURRENT YEAR TO DATE 30/09/2017 RM'000	30/09/2016 RM'000
<b>Current Tax Expense</b>				
- Current Year	5	-	5	-
- Prior Year	-	-	-	-
	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
<b>Deferred Tax</b>				
- Origination and Reversal of temporary differences	-	-	-	-
<b>Total</b>	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER  
ENDED 30 SEPTEMBER 2017****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 Regularization Strategy and the Proposed Regularization Plan to address its PNI7 issues. The Proposed Regularization 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 Regularization 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 Regularization Plan. An announcement was made on 21 January 2015 incorporating the details of the variations. The Proposed Regularization Plan of the Company was approved by Bursa Malaysia vide a letter dated 14 August 2015, subject to certain terms and conditions. An announcement was made on 14 August 2015 incorporating details of the approval. On 28 July 2017, the Company submitted an application to Bursa Malaysia seeking the approval for an extension period of 6 months up to 12 February 2018 for the Company to complete the implementation of its Proposed Regularization Plan. On 7 September 2017, Bursa Malaysia gave its approval on the application of extension period of 6 months for the Company to complete the implementation of its Proposed Regularization Plan.
2. On 21 November 2016, the Company received a letter dated 18 November 2016 from RHB Investment which confirms the following: -
  - i) Pursuant to the terms set out in the SSA, RHB Investment Bank Berhad will proceed to utilise the Retention Sum together with interest earned towards payment of the balance Settlement Sum following the expiry of a period of twenty-four (24) months from the date of the SSA of 21 November 2014.
  - ii) Notwithstanding the above, RHB Investment Bank Berhad has no objection to facilitate the Disposal of the Pledged Shares in accordance with the terms of the SSA.
3. 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 of 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.

# PETROL ONE RESOURCES BERHAD

(Company No.: 333769-X)

## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### B7. GROUP BORROWINGS

	As at 30/09/2017 RM'000	In Foreign Currency
<b>Short term borrowings:</b>		
<b><u>Secured</u></b>		
Denominated in Ringgit Malaysia		
Term Loan	4,036	-
Finance Lease Liabilities	-	-
Denominated in US Dollar		
Term Loan	53,530	12,662
<b><u>Unsecured</u></b>		
Denominated in Ringgit Malaysia		
Term Loan	-	-
Long – term Borrowings		
<b><u>Secured</u></b>		
Denominated in Ringgit Malaysia	-	-
Finance Lease Liabilities		
Total Borrowings	<u>57,566</u>	

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER  
ENDED 30 SEPTEMBER 2017**

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 formalized 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.

**B8. MATERIAL LITIGATION**

There is no outstanding material litigation for the Group for the current quarter.

**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**

	<b>3 months ended 30/09/2017 RM'000</b>
<b>Operating profit arrived at after charging / (crediting):</b>	
Bad Debts	-
Depreciation	153
Foreign Exchange Loss / (Gain):	
Realized Gain	-
Unrealized Gain	-
Realized Loss	24
Unrealized Loss	474
Interest Expense	5

# PETROL ONE RESOURCES BERHAD

(Company No.: 333769-X)

## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 30 SEPTEMBER 2017

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

	As at 30/09/2017 RM'000	As at 30/09/2016 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realized	(89,166)	(89,959)
- Unrealized	474	(409)
	<u>(88,692)</u>	<u>(90,368)</u>
Consolidated Adjustments	(53,029)	(52,146)
Total Accumulated Losses	<u>(141,721)</u>	<u>(142,514)</u>

### B16. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 28<sup>th</sup> November 2017.