

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE QUARTER ENDED 30 JUNE 2018**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM '000	RM '000	RM '000	RM '000
		Restated		Restated
Revenue	2,977	3,204	12,518	11,864
Cost of sales	(2,669)	(1,483)	(7,336)	(4,966)
Gross profit	308	1,721	5,182	6,898
Other income				
- Others	3,309	-	3,811	73,328
- Unrealised foreign exchange gain	1,021	-	-	-
Administration expenses				
- Others	(15,242)	(1,158)	(19,296)	(6,440)
- Unrealised foreign exchange loss	-	(550)	(188)	-
Other operating expenses	-	-	-	-
Other operating income	-	-	-	-
Finance costs	-	-	-	-
Profit before tax	(10,604)	13	(10,491)	73,786
Income tax (expense)/benefit	(5)	-	(20)	(19)
Profit for the period attributable to owners of the Company	(10,609)	13	(10,511)	73,767
Other comprehensive loss:				
Foreign currency translation differences	1,302	(2,771)	5,412	(5,978)
Reversal of revaluation surplus	-	-	-	-
Total comprehensive loss attributable to owners of the Company	(9,307)	(2,758)	(5,099)	67,789

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

Basic	(20.88)	0.03	(20.69)	145.20
Diluted	N/A	N/A	N/A	N/A

\* Based on 50,804,845 ordinary shares

**Dividends per share (sen)**

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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 JUNE 2018**

	AS AT 30/06/2018 RM '000	AS AT 30/6/2017 RM '000 Restated
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	1,565	4,087
<b>Current assets</b>		
Trade and other receivables	5,629	15,321
Cash and bank balances	199	92
	5,828	15,413
<b>TOTAL ASSETS</b>	<b>7,393</b>	<b>19,500</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	63,474	63,474
Share premium	-	-
Reserve	(107,384)	(99,181)
<b>Equity attributable to equity holders of the Company</b>	<b>(43,910)</b>	<b>(35,707)</b>
<b>Current liabilities</b>		
Borrowings	2,250	2,250
Trade and other payables	42,175	49,667
Amount due to directors	6,858	3,270
Provision for taxation	20	20
	51,303	55,207
<b>Total liabilities</b>	<b>51,303</b>	<b>55,207</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,393</b>	<b>19,500</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>(0.6918)</b>	<b>(0.5625)</b>

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 JUNE 2018

	Attributable to Equity Holders of the Company				
	Non-distributable				
	Share Capital	Share Premium	Revaluation Reserve	Translation reserve	(Accumulated losses)
	RM '000	RM '000	RM '000	RM '000	RM '000
<b>At 1 July 2016</b>	50,805	12,669	-	(23,752)	(143,217)
Foreign currency translation difference	-	-	-	(5,978)	(5,978)
Impairment of vessels	-	-	-	-	-
Profit for the period	12,669	(12,669)	-	-	1,837
Total comprehensive loss	12,669	(12,669)	-	(5,978)	1,837
<b>At 30 June 2017</b>	63,474	-	-	(29,730)	(141,380)
<b>At 1 July 2017</b>	63,474	-	-	(29,730)	(141,380)
Foreign currency translation difference	-	-	-	5,412	5,412
Prior year adjustment	-	-	-	-	68,825
Profit for the period	-	-	-	-	(10,511)
Total comprehensive loss	-	-	-	5,412	63,726
<b>At 30 June 2018</b>	63,474	-	-	(24,318)	(83,066)
					(43,910)

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 JUNE 2018**

	12 months ended 30/06/2018 RM '000	12 months ended 30/6/2017 RM '000 Restated
<b>Cash flows from operating activities</b>		
Profit before tax	(10,491)	75,181
Adjustment for :		
Depreciation	610	591
Interest expense	-	-
Loan write-off	-	(73,325)
Impairment for fixed assets	1,836	-
Provision for doubtful debts	11,823	-
Compensation	317	-
Unrealised foreign exchange - net	(3,121)	(743)
Operating profit/(loss) before changes in working capital	974	1,704
Trade and other receivables	9,693	(1,329)
Trade and other payables	(10,540)	(972)
Cash generated from operating activities	127	(597)
Income taxes paid	(20)	(42)
<b>Net cash generated from operating activities</b>	<b>107</b>	<b>(639)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	-	-
Proceeds from share capital	-	-
Acquisition of plant and equipment	-	(641)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(641)</b>
<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>	<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents	107	(1,280)
Cash and cash equivalents at beginning of financial period	92	1,372
Cash and cash equivalents at end of financial period	199	92

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.

# **PETROL ONE RESOURCES BERHAD** (333769-X)

## **PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER ENDED 30 JUNE 2018**

### **A1. BASIS PREPARATION**

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards 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.

### **A2. FUNDAMENTAL ACCOUNTING PRINCIPLE**

As at 30 June 2018, the current liabilities of the Group exceeded its current assets by RM50.617million and the Group had a negative shareholder's equity of RM49.052million.

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 RM6.500 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 RM3.460 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 RM40.000 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.

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 ("OPL") 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. 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.

**FUNDAMENTAL ACCOUNTING PRINCIPLE (Continued)**

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 comprised of payment by the Company of RM3,460,000/- and payment by a third party of RM3,040,000/-. The Company has not recognised the fair value of corporate guarantee given to lender for loan given to subsidiary. 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.

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 54(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.

The interim financial information has been prepared on the historical cost basis and on the assumption of that the Group is a going concern.

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.

**A3. 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 disclaimers is stated as below: -

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").

# **PETROL ONE RESOURCES BERHAD**

(333769-X)

## **PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER ENDED 30 JUNE 2018**

### **AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS (Continued)**

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.

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.

# PETROL ONE RESOURCES BERHAD (333769-X)

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER ENDED 30 JUNE 2018

### AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS (Continued)

2. As disclosed in Note 5.1 included in plant and equipment of the Group is an item of marine equipment of USD623,638/- (equivalent to RM2,508,582/-) 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 RM66,364,128/-, respectively. The projections of future cash flows prepared by the management to support the aforesaid carrying value of investments in subsidiaries and amount due from subsidiaries are based on the assumptions that the Proposed Regularisation Plan have been implemented. Consequently, 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 2015. 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 do not express an opinion on the financial statements.

### A4. SEGMENTAL INFORMATION

The Group prepared the following segment information in accordance with MFRS 8: Operating Segments based on the internal reports of the Group's strategic business units.

The four reportable operating segments are as follow:

Segments	Product and Services
Chartering Activity	Chartering of safety standby vessels
Advisory Services	Advisory services that include technical and commercial management services in relation to ship-to-ship transfer operations
Storage Management	Management of liquid storage terminal
Investment holding	Investment holding and others

#### Segment performance

Segment performance is used to measure performance, which the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

#### Segment assets

The total of segment asset is measured based on all assets of a segment.

#### Segment liabilities

Segment liabilities are not included in the internal report hence no disclosures are made on segment liabilities.



**PETROL ONE  
RESOURCES BERHAD** (333769-X)

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER  
ENDED 30 JUNE 2018**

SEGMENTAL INFORMATION (Continued)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	
	30/06/2018 RM'000	30/06/2017 RM'000	30/06/2018 RM'000	30/06/2017 RM'000
<b>Segment Revenue</b>				
Oil & Gas: -				
Chartering Activity	1,073	865	4,332	3,479
Advisory Services	1,364	1,500	5,626	5,925
Storage Management	540	840	2,560	2,460
Others	-	-	-	-
	<b>2,977</b>	<b>3,205</b>	<b>12,518</b>	<b>11,864</b>

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	
	30/06/2018 RM'000	30/06/2017 RM'000 Restated	30/06/2018 RM'000	30/06/2017 RM'000 Restated
<b>Segment Results</b>				
Oil & Gas: -				
Chartering Activity	(1,538)	(783)	(2,264)	(1,471)
Advisory Services	(13,269)	1,095	(8,458)	3,619
Storage Management	(267)	(405)	(721)	(1,019)
Others	863	72,139	(2,670)	72,637
	<b>(14,211)</b>	<b>72,046</b>	<b>(14,113)</b>	<b>73,766</b>

**A5. 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.

**A6. CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect on the current financial quarter under review other than the provision for doubtful debt and impairment of assets carried out.

**A7. 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.

**A8. DIVIDENDS PAID**

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

**A9. 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** (333769-X)

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER  
ENDED 30 JUNE 2018**

**A10. CAPITAL COMMITMENTS**

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

**A11. CHANGES IN CONTINGENT LIABILITIES**

The contingent liabilities of PORB are as follows:

	As at 30/06/2018 RM'000
Corporate guarantee given to secure banking facilities for a subsidiary	-

**A12. CHANGES IN COMPOSITION OF THE GROUP**

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

**A13. PRIOR YEAR ADJUSTMENTS**

During the financial period, the Group made prior year adjustments in relation to the following:

- (a) The effects of prior year adjustments made in relation to the financial year ended 30 June 2017.
- (b) Recognition of the impact for the written-off of RHB Loan and the related accrual for interest in accordance to the Supplemental Debt Settlement Agreement dated 21 November 2014 and the full settlement payment made on 21 November 2016 in accordance to the requirements of the said agreement. The Company is now recognising the full impact of the loan settlement and the related foreign exchange impact on basis that the loan has been fully settled on 21 November 2016.

	As previously stated 30.06.2017 RM'000	Note (b) RM'000	As restated 30.06.2017 RM'000
<b>Consolidated Statement of Comprehensive Income</b>			
Revenue	11,864	-	11,864
Cost of Sales	(4,966)	-	(4,966)
Other Operating Income	746	72,582	73,328
Administrative Expenses	(5,788)	(651)	(6,440)
Profit Before Tax	1,856	-	73,786
Income Tax	(19)	-	(19)
Profit After Tax	1,837	-	73,767
<b>Consolidated Statement of Changes in Equity</b>			
Retained Earnings as at 30 June 2017	(143,217)	73,767	(69,450)
<b>Group Borrowings</b>			
Total borrowings as at 30 June 2017	55,738	(53,488)	2,250

**A14. SUBSEQUENT MATERIAL EVENTS**

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

On 8 August 2018, Mr. Chris Lim Su Heng resigned as Independent and Non-Executive Director due to personal reason.

On 10 August 2018, Public Investment Bank Berhad announced that a Board meeting was held on 9 August 2018 to deliberate the following in relation to the Proposed Regularisation Plan:

- (i) the Company is unable to fully secure suitable placees for the entire tranche of the Placement Shares, despite numerous efforts from the Company to actively engage and source for suitable placees. This is partly due to the commitment required from the placees to subscribe for both the Placement Shares and corresponding Rights Shares as the amount involved is relatively substantial; and
- (ii) the current challenging equity market conditions for fund raising exercise.

Based on the above factors, the Board has resolved that due to the uncertainties of the issues mentioned above, the Company is unable to implement the Proposed Regularisation Plan by 11 August 2018 (the extension of time granted by Bursa Securities via its approval letter dated 29 March 2018) and/or to formulate a concrete alternative scheme for a further extension of time application at this juncture.

Pursuant to the approval letter from Bursa Securities dated 29 March 2018 for the extension of time granted up to 11 August 2018 to implement the Proposed Regularisation Plan ("EOT"), the aforesaid EOT is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of PETONE and to de-list the Company in the event the Company fails to implement its Proposed Regularisation Plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of the event above, Bursa Securities shall suspend the trading of the listed securities of PETONE on the 6th market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company's right to appeal against the delisting.

On 13 August 2018, the Board announced that Bursa Securities had vide its letter dated 13 August 2018, noted the following:

- (1) Bursa Securities had on 14 August 2015 approved the Company's regularisation plan.
- (2) Pursuant to paragraph 5.2(b) of Practice Note 17, PETONE must complete the implementation of the Company's regularisation plan which involved court proceedings within 12 months from the date the plan was approved by Bursa Securities i.e. 13 August 2016.
- (3) Bursa Securities had granted the Company the following extensions of time to complete the implementation of its regularisation plan:
  - (i) on 15 March 2017, a 12 months extension of time up to 13 August 2017;
  - (ii) on 7 September 2017, a 6 months extension of time up to 12 February 2018; and
  - (iii) on 29 March 2018, a 6 months extension of time up to 11 August 2018.
- (4) PETONE had on 10 August 2018 announced amongst others, that the Company is unable to implement the regularisation plan by 11 August 2018 and/or to formulate a concrete alternative scheme for a further extension of time application at this juncture.

In the circumstances and pursuant to paragraph 8.04(5) of the Listing Requirements:

- (a) the trading in the securities of the Company will be and/or remain suspended with effect from 21 August 2018; and
- (b) the securities of the Company will be de-listed on 24 August 2018 unless an appeal against the de-listing is submitted to Bursa Securities on or before 20 August 2018 ("the Appeal Timeframe"). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

# **PETROL ONE RESOURCES BERHAD**

(333769-X)

## **PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE QUARTER ENDED 30 JUNE 2018**

In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the removal of the securities of the Company from the Official List of Bursa Securities on 24 August 2018 shall be deferred pending the decision on the Company's appeal.

With respect to the securities of the Company which are currently deposited with Bursa Malaysia Depository Sdn Bhd ("Bursa Depository"), the securities may remain deposited with Bursa Depository notwithstanding the de-listing of the securities from the Official List of Bursa Securities. It is not mandatory for the securities of a company which has been de-listed to be withdrawn from Bursa Depository.

Alternatively, shareholders of the Company who intend to hold their securities in the form of physical certificates, can withdraw these securities from their Central Depository System (CDS) accounts maintained with Bursa Depository at any time after the securities of the Company have been de-listed from the Official List of Bursa Securities. This can be effected by the shareholders submitting an application form for withdrawal in accordance with the procedures prescribed by Bursa Depository. These shareholders can contact any Participating Organisation of Bursa Securities for further information on the withdrawal procedures.

Upon the de-listing of the Company, the Company will continue to exist but as an unlisted entity. The Company is still able to continue its operations and business and proceed with its corporate restructuring and its shareholders can still be rewarded by the Company's performance. However, the shareholders will be holding shares which are no longer quoted and traded on Bursa Securities.

On 20 August 2018, the Board of Directors of PETONE announced that it had submitted an appeal against the suspension and de-listing to Bursa Securities ("Appeal"). Given that the Appeal was submitted within the Appeal Timeframe (i.e. by 20 August 2018), the removal of the securities of the Company from the Official List of Bursa Securities on 24 August 2018 shall be deferred pending the decision by Bursa Securities on the Appeal.

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

### **A15. PROPERTY, PLANT AND EQUIPMENT VALUATION**

The Group did not revalue any of its property, plant and equipment during the current financial quarter other than applying impairment on its marine equipment to its net realisation value.

# PETROL ONE RESOURCES BERHAD (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 2018

### B1. REVIEW OF PERFORMANCE

The Group registered revenue of approximately RM2.977million for the current quarter ended 30 June 2018 as compared to approximately RM3.204million in the preceding year's similar quarter. The decrease in revenue in current year's quarter over that of the preceding year similar quarter mainly due to a temporary suspension of a contract with one of its customers.

The Group posted a loss before tax of approximately RM10.491million for the current quarter ended 30 June 2018 as compared to a profit before tax of approximately RM73.7866million (as restated where details of the restatement is explains in Note A 13) in the corresponding quarter of the preceding year due to impairment of a marine equipment of approximately RM1.821million and provision for doubtful debt of approximately RM11.713million in the current year's quarter under review.

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

The Group registered revenue of approximately RM2.977 million for the current quarter ended 30 June 2018 as compared to approximately RM2.992million achieved in the preceding quarter. The slightly increase revenue was due to the strengthening of RM against USD, as some of the Group revenue is made in USD and the suspension of a contract with one of its customers.

Nevertheless, the Group posted a loss before tax of approximately RM10.491million for the current quarter ended 30 June 2018 as compared to the preceding quarter's profit before tax of RM0.026million. The decrease of the current quarter profit before tax was due to impairment of a marine equipment of approximately RM1.821million and provision for doubtful debt of approximately RM11.713million in the current year's quarter under review.

### B3. COMMENTARY ON PROSPECTS

Base on the prevailing sentiment in the oil and gas industry within the region and in the country, the Board remains cautious in both short and medium term for the Group.

### 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 30/06/2018 RM'000	QUARTER 30/06/2017 RM'000	CURRENT YEAR TO DATE 30/06/2018 RM'000	CURRENT YEAR TO DATE 30/06/2017 RM'000
Current Tax Expense				
- Current Year	5	-	20	-
- Prior Year	-	-	-	-
	5	-	20	-
Deferred Tax				
- Origination and Reversal of temporary differences	-	-	-	-
Total	5	-	20	-

# **PETROL ONE RESOURCES BERHAD** (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 2018**

### **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 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.

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. On 8 February 2018, the Company submitted an application to Bursa Malaysia seeking for an extension period of another 6 months up to August 2018 for the implementation of its Proposed Regularization Plan. On 29 March 2018, Bursa Securities had, vide its letter dated 29 March 2018, granted the Company an extension of time up to 11 August 2018 to implement its Proposed Regularisation Plan. On 10 August 2018, Public Investment Bank Berhad announced that a Board meeting was held on 9 August 2018 to deliberate the following in relation to the Proposed Regularisation Plan:

- (i) the Company is unable to fully secure suitable placees for the entire tranche of the Placement Shares, despite numerous efforts from the Company to actively engage and source for suitable placees. This is partly due to the commitment required from the placees to subscribe for both the Placement Shares and corresponding Rights Shares as the amount involved is relatively substantial; and
- (ii) the current challenging equity market conditions for fund raising exercise.

Based on the above factors, the Board has resolved that due to the uncertainties of the issues mentioned above, the Company is unable to implement the Proposed Regularisation Plan by 11 August 2018 (the extension of time granted by Bursa Securities via its approval letter dated 29 March 2018) and/or to formulate a concrete alternative scheme for a further extension of time application at this juncture. On 13 August 2018, the Board announced that Bursa Securities had vide its letter dated 13 August 2018, noted the following:

- (1) Bursa Securities had on 14 August 2015 approved the Company's regularisation plan.
- (2) Pursuant to paragraph 5.2(b) of Practice Note 17, PETONE must complete the implementation of the Company's regularisation plan which involved court proceedings within 12 months from the date the plan was approved by Bursa Securities i.e. 13 August 2016.

# PETROL ONE RESOURCES BERHAD (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 2018

(3) Bursa Securities had granted the Company the following extensions of time to complete the implementation of its regularisation plan:

- (i) on 15 March 2017, a 12 months extension of time up to 13 August 2017;
- (ii) on 7 September 2017, a 6 months extension of time up to 12 February 2018; and
- (iii) on 29 March 2018, a 6 months extension of time up to 11 August 2018.

(4) PETONE had on 10 August 2018 announced amongst others, that the Company is unable to implement the regularisation plan by 11 August 2018 and/or to formulate a concrete alternative scheme for a further extension of time application at this juncture. In the circumstances and pursuant to paragraph 8.04(5) of the Listing Requirements:

(a) the trading in the securities of the Company will be and/or remain suspended with effect from 21 August 2018; and

(b) the securities of the Company will be de-listed on 24 August 2018 unless an appeal against the de-listing is submitted to Bursa Securities on or before 20 August 2018 ("the Appeal Timeframe"). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities. On 20 August 2018, the Board of Directors of PETONE announced that it had submitted an appeal against the suspension and de-listing to Bursa Securities ("Appeal"). Given that the Appeal was submitted within the Appeal Timeframe (i.e. by 20 August 2018), the removal of the securities of the Company from the Official List of Bursa Securities on 24 August 2018 shall be deferred pending the decision by Bursa Securities on the Appeal.

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 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.

### 87. GROUP BORROWINGS

	As at 30/06/2018 RM'000	In Foreign Currency
<b>Short term borrowings:</b>		
<u>Secured</u>		
Denominated in Ringgit Malaysia		
Term Loan	-	-
Finance Lease Liabilities	-	-
Denominated in US Dollar		
Term Loan	-	-
<u>Unsecured</u>		
Denominated in Ringgit Malaysia		
Term Loan	-	-
Long – term Borrowings		
<u>Secured</u>		
Denominated in Ringgit Malaysia	-	-
Finance Lease Liabilities		
<b>Total Borrowings</b>	<u>-</u>	

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

# **PETROL ONE RESOURCES BERHAD** (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 2018**

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 (the Retention Sum); and (ii) in cash for an amount of RM3.46 million (the Cash Settlement). 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.

On 18 November 2016, RIBB wrote to the Company that they have proceeded to utilize the entire Retention Sum together with interest earned towards payment of the entire indebtedness. The Group and the Company has now recorded the effect of the waiver of the debt via a prior year adjustment for the financial year ended 30 June 2017, in the current quarter announcement.

### **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**

	12 months ended 30/06/2018 RM'000
Operating profit arrived at after charging / (crediting):	
Provision for doubtful debts	11,713
Depreciation	610
Impairment of marine equipment	1,821
Foreign Exchange Loss / (Gain):	
Realized Gain	-
Unrealized Gain	3,121
Realized Loss	18
Unrealized Loss	-
Interest Expense	-

### **B12. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

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



**PETROL ONE  
RESOURCES BERHAD** (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 2018**

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**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. 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 30<sup>th</sup> August 2018.