www.barakahpetroleum.com

BARAKAH OFFSHORE PETROLEUM BERHAD (980542-H)
No. 28, Jln PJU 5/4, Dataran Sunway
Kota Damansara, 47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : 03 - 6141 8820 / 21 / 23 / 24
Fax : 03 - 6141 8857 / 26 / 31 / 41 / 51

ANNUAL REPORT 2013

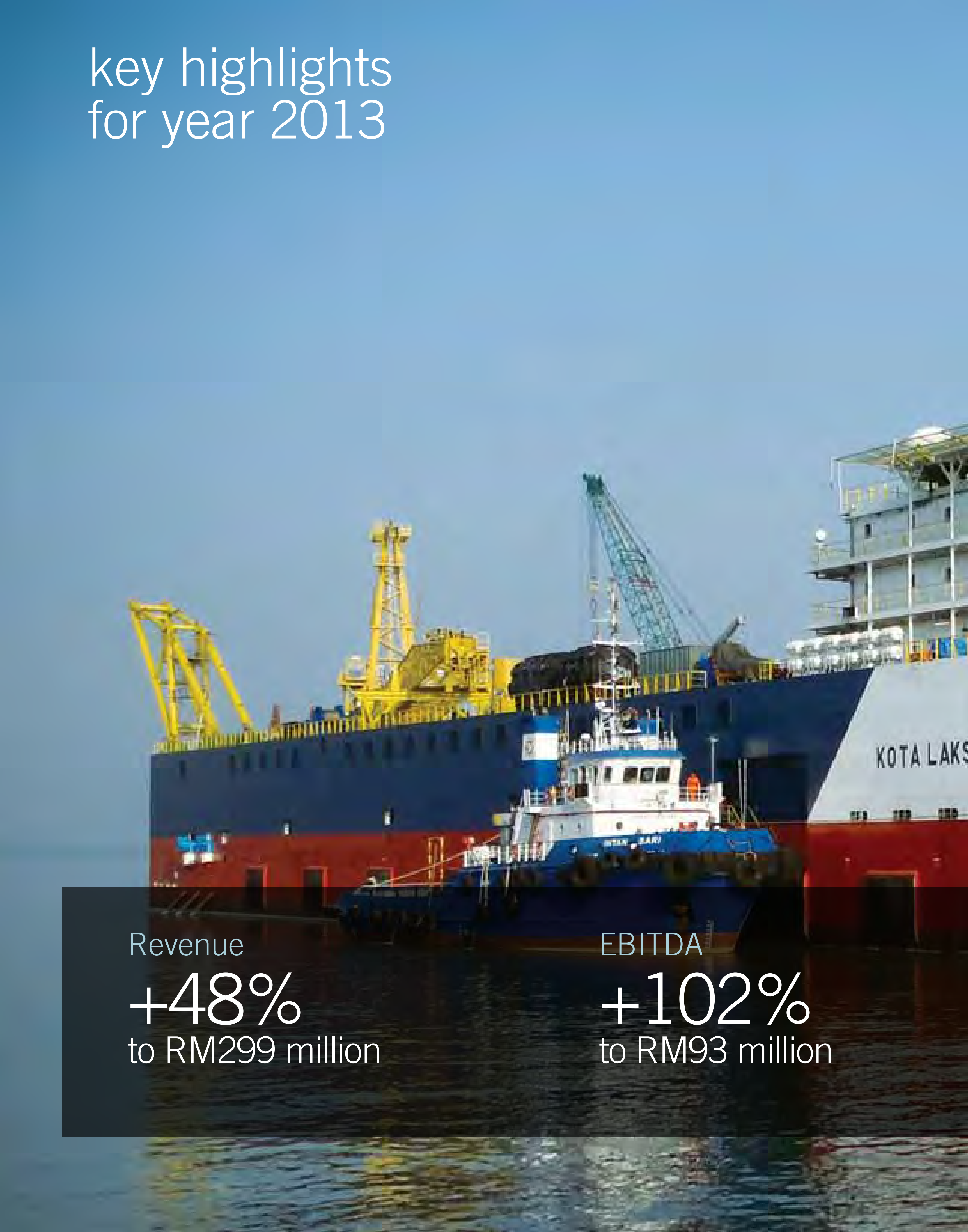
BARAKAH OFFSHORE PETROLEUM BERHAD (980542-H)

BARAKAH OFFSHORE PETROLEUM

OUR COMMITMENT IS OUR STRENGTH

ANNUAL REPORT 2013

key highlights for year 2013



Revenue

+48%

to RM299 million

EBITDA

+102%

to RM93 million

Earnings per share

+24%

to 8.5 sen

Total order book

RM2.24 billion

as at 31 December 2013

ANNUAL REPORT 2013
BARAKAH OFFSHORE PETROLEUM BERHAD

OUR COMMITMENT IS OUR STRENGTH

Focused on a promising future, we are tapping into opportunities in the marketplace armed with our strength in delivering results, solid strategic assets, a technically-sound and experienced team and an uncompromising eye on safety. We will remain committed and continue to push boundaries in order to excel and deliver distinctive value.


ents

Vision

To be the premier, integrated solutions provider to the oil & gas industry.

Mission

Committed to ensure high quality and innovative solutions without compromising safety.

BUSINESS ACTIVITIES

PIPELINE AND COMMISSIONING SERVICES

Pre-commissioning and Commissioning

- Cleaning and Maintenance
- Gauging
- Hydrotesting
- Drying (Air / Vacuum)
- Pigging
- Flooding
- Dewatering
- Leaks / Nitrogen Testing

De-commissioning

- Flushing
- Deoiling
- Preservation and Abandonment
- Degassing
- Flooding

Topside Major Maintenance & Hook-Up and Commissioning

- Onshore Pre-Fabrication Work for Structural Steel and Process Piping
- Offshore Hook-Up, Tie Ins and Commissioning of Pre-Fabricated Steel Structures, Process Piping, Mechanical Equipment, Electrical Systems and Instrument Control Systems for Topside of Offshore Oil & Gas Production Facilities
- Topside Maintenance Services
- Shutdown Maintenance Services

INSTALLATION AND CONSTRUCTION SERVICES

Offshore Transportation and Installation

- Pipeline / Riser / Submarine Cable Installation
- Transportation and Installation of Offshore Structures
- Shore Approach
- Pipeline and Structure Repairs
- Riser Guard Installations

EPCC Onshore Pipeline and Construction

- Full EPCC of Onshore Gas Transmission Pipeline Construction
- Mechanical and Piping Erection for Onshore Process Plant
- Minor Fabrication Services
- EPCC of Small to Medium Size Process Facilities

Ship Management & Chartering

- Pipelay Barge
- Derrick Lay Barge
- Accommodation Work Barge
- Work Boat

Underwater Services

- DPDSV Services
- Subsea Underwater Services and Maintenance
- Underwater Repair

corporate structure

BARAKAH OFFSHORE PETROLEUM BERHAD

- 100% **PBJV GROUP SDN BHD**
  - 100% KOTA LAKSAMANA MANAGEMENT SDN BHD
    OIL & GAS MARINE SERVICE EXPEDITION
  - 100% KOTA LAKSAMANA 101 LTD
    SHIP OWNING AND SHIPPING RELATED SERVICES
  - 100% PBJV GROUP LTD
    SHIP OWNING AND SHIPPING RELATED SERVICES
  - 85% PBJV GULF CO LTD
    OIL & GAS SERVICES FOR THE MIDDLE EAST REGION

Barakah Offshore Petroleum Berhad was incorporated in Malaysia in March 2012 as an investment holding company for PBJV Group Sdn Bhd.

BARAKAH

strategically positioned for regional expansion

The PBJV Group Sdn Bhd ("PBJV") started business in August 2000 in offshore pipeline services, and this remains an integral part of its core business activities. In 2012, PBJV was recognised as an outstanding vendor by PETRONAS Carigali Sdn Bhd for its excellent services. The company's key success factors have been its ability to provide stellar service while remaining focused and committed in a challenging industry.

From pipeline services, PBJV expanded its business activities to include offshore transportation and installation, hook-up and commissioning, onshore pipeline construction, underwater services and the chartering of marine vessels and equipment.

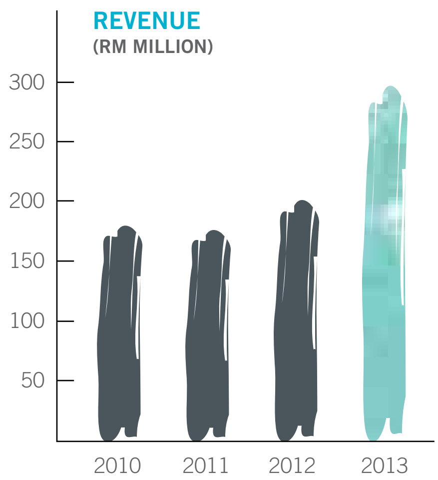
In 2009, as part of its efforts to become a major player in offshore transportation and installation, PBJV commissioned the construction of its 137 metre-long pipe-lay barge, known as "KOTA LAKSAMANA 101" ("KL101"). With this barge ownership, PBJV is able to undertake bigger and more challenging offshore pipeline projects.

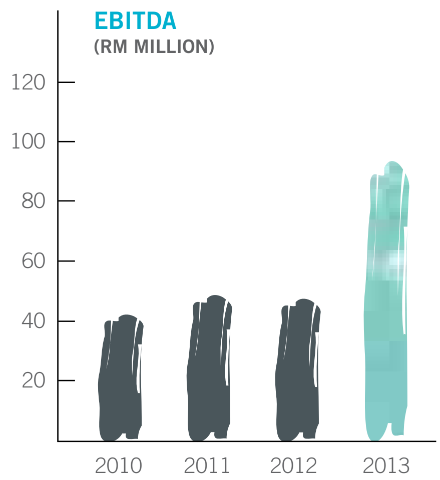
Barakah Offshore Petroleum Berhad ("Barakah" or "Company") was incorporated in Malaysia in 2012 as the investment holding company for PBJV and its subsidiary companies (collectively referred to as "Barakah Group" or "Group"). With its depth of experience and capabilities, Barakah is quickly gaining momentum towards its vision of 'TO BE THE PREMIER, INTEGRATED SOLUTIONS PROVIDER TO THE OIL AND GAS INDUSTRY'. The Group is now poised to undertake more technically challenging work and has set its sights on expanding its business activities in South East Asia and the Middle East.

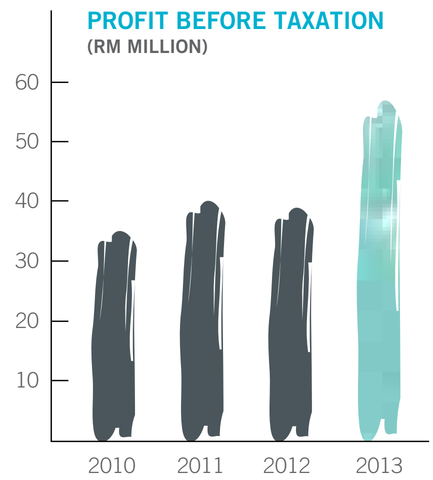
4-year group financial highlights

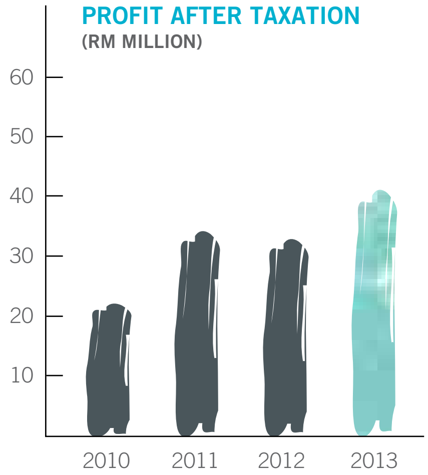
Financial Year Ended (FYE) 30 September

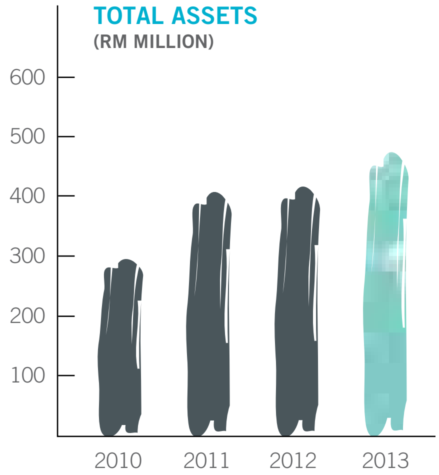
	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Revenue	179,850	178,583	201,956	298,901
EBITDA	42,651	46,166	46,118	93,272
Profit before taxation	35,884	39,717	39,451	57,621
Profit after taxation	22,463	34,227	33,214	41,103
Total assets	293,946	407,487	415,094	470,886
Shareholders' equity	63,361	97,584	130,812	172,946
Return on shareholders' equity (%)	35.45%	35.07%	25.39%	23.77%
Basic EPS (RM)	0.8980	1.3689	0.0686	0.0849

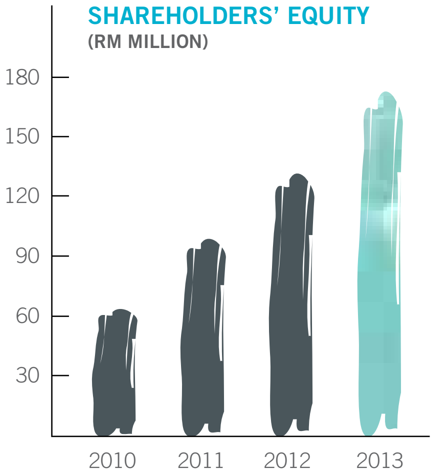







PROFIT AFTER TAXATION
(RM MILLION)
60
50
40
30
20
10
2010
2011
2012
2013


TOTAL ASSETS
(RM MILLION)
600
500
400
300
200
100
2010
2011
2012
2013


SHAREHOLDERS' EQUITY
(RM MILLION)
180
150
120
90
60
30
2010
2011
2012
2013

corporate information

BOARD OF DIRECTORS

Abd. Hamid Ibrahim
Independent Non-Executive Chairman

Nik Hamdan Daud
Deputy Executive Chairman

Sulaiman Ibrahim
Senior Independent Non-Executive Director

Datuk Azizan Abd Rahman
Independent Non-Executive Director

Azman Shah Mohd Zakaria
Executive Director

Rasdee Abdullah
Executive Director

Nurhilwani Mohamad Asnawi
Independent Non-Executive Director

EXECUTIVE COMMITTEE

Nik Hamdan Daud
Chairman

Azman Shah Mohd Zakaria

Rasdee Abdullah

Syed Abdul Rahim Syed Jaafar

Firdauz Edmin Mokhtar

ESOS COMMITTEE

Sulaiman Ibrahim
Chairman

Rasdee Abdullah

Nurhilwani Mohamad Asnawi

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Azizan Abd Rahman
Chairman

Abd. Hamid Ibrahim

Sulaiman Ibrahim

NOMINATION AND REMUNERATION COMMITTEE

Sulaiman Ibrahim
Chairman

Abd. Hamid Ibrahim

Nurhilwani Mohamad Asnawi

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)

Tan Ai Ning (MAICSA 7015852)

Peng Siew Hwee (LS 0009707)

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
T : +603 7720 1188
F : +603 7720 1111

SHARE REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor Darul Ehsan
T : +603 7720 1188
F : +603 7720 1111

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Listed on 6 November 2013

Ordinary Shares
Stock Name: BARAKAH
Stock Code: 7251
Shariah-Compliant Securities
based on Securities Commission Malaysia's
circular dated 29 November 2013

Other Securities
Stock Name: BARAKAH – LA
Stock Code: 7251LA

AUDITORS

Messrs. Crowe Horwath
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
T : +603 2788 9999
F : +603 2788 9998

SOLICITORS

Messrs. Fairuz Ali & Co
No. 12-1, 1st Floor, Jalan Opera B U2/B
TTDI Jaya, Section U2, 40150 Shah Alam
Selangor Darul Ehsan
T : +603 7831 3941 / 2605
F : +603 7831 3951

PRINCIPAL BANKERS

Malayan Banking Berhad

board of directors

Seated (left to right):
Nik Hamdan Daud
Abd. Hamid Ibrahim

Standing (left to right):
Datuk Azizan Abd Rahman
Sulaiman Ibrahim
Nurhilwani Mohamad Asnawi
Azman Shah Mohd Zakaria
Rasdee Abdullah

board of directors' profiles

ABD. HAMID IBRAHIM
INDEPENDENT NON-EXECUTIVE CHAIRMAN

Abd. Hamid Ibrahim, aged 65, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 1 February 2013 as the Independent Non-Executive Chairman. He has more than 35 years of experience in the oil and gas industry, including 28 years with PETRONAS.

He joined PETRONAS in 1976 as a Production Engineer and has held several managerial positions in the upstream sector, including General Manager, Development Division of PETRONAS Carigali until 1991. He was the Managing Director/CEO of Ethylene Malaysia Sdn Bhd and Polyethylene Malaysia Sdn Bhd from 1991 to 1996, the Managing Director/CEO of Malaysia LNG Sdn Bhd and MLNG Dua Sdn Bhd and Project Director of MLNG Tiga Sdn Bhd from 1996 until his appointment as Managing Director/CEO of PETRONAS Gas Bhd in 1999. He was also a member of the PETRONAS Management Committee from July 1996 until his retirement in June 2003.

He is the Editor-in-Chief of RESOURCE, the quarterly magazine of the Malaysian Petroleum Club, and has held the post since 1991. In 2004, he was appointed as the PETRONAS representative to the Board of Trustees of CARIF (Cancer Research Initiatives Foundation). In addition, he has been a member of the Executive Committee of MOGSC (Malaysian Oil & Gas Services Council), the largest trade organisation of its kind in the country, since 2006.

He is an Independent Non-Executive Director of Muhibbah Engineering (M) Bhd and the Senior Independent Non-Executive Director of CLIQ Energy Berhad. He holds directorships in several other private limited companies and also acts as consultant to Resourceful Petroleum Limited.

Abd. Hamid Ibrahim graduated with a Bachelor's degree in Mining from Camborne School of Mines, England in 1973 and obtained his Masters degree in Petroleum Engineering from Heriot-Watt University, Scotland, UK in 1978. He also attended the Advanced Management Program at the University of Hawaii in 1980 and the Wharton School of Management, University of Pennsylvania, USA in 2000.

NIK HAMDAN DAUD
DEPUTY EXECUTIVE CHAIRMAN / FOUNDER

Nik Hamdan Daud, aged 47, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 1 March 2012 as an Executive Director. He is also the founder of PBJV Group Sdn Bhd and has been the Managing Director since its incorporation on 24 August 2000. From 2011 to 2013, he was the President and Chief Executive of PBJV. On 1 July 2013, he was re-designated as the Deputy Executive Chairman of Barakah and Executive Chairman of PBJV.

He has over 20 years of experience in the oil and gas industry, mainly in offshore pipeline installation and related services. During these years, he served various reputable oil and gas clients such as PETRONAS Carigali, Sarawak Shell Berhad, ExxonMobil, Petrofac, Newfield, Murphy Oil, Talisman Malaysia Limited and VietsoPetro, among others. Prior to founding PBJV, Nik Hamdan was the Managing Director of Pipetronix Sdn Bhd, a German-owned offshore pipeline service company, from 1996 to 2000. He was actively involved in the technical and commercial aspects of the business. From 1991 to 1996, he served Esso Production Malaysia Inc. as a Quality Control and Corrosion Engineer. He started his career as a Test Engineer in Motorola Sdn Bhd and worked with the company from 1989 to 1991.

He has been extensively involved in upstream activities, mainly in pipeline services, integrity management, platform operations and maintenance, developing standard operating procedures, the training and development of engineers and Health Safety Environment Management Systems ("HSEMS"). He also holds directorships in several other private limited companies.

Nik Hamdan graduated with a Bachelor of Science with honours in Electrical/Electronic Engineering from Worcester Polytechnic Institute MA, USA in 1989. He is also a registered competent Supervisor in Gas Engineering with the Energy Commission.

AZMAN SHAH MOHD ZAKARIA
EXECUTIVE DIRECTOR

Azman Shah Mohd Zakaria, aged 49, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 14 May 2012 as an Executive Director. He is one of the founding members of PBJV and is presently the President and Chief Executive of the company. He has more than 16 years' experience in the oil and gas industry, mainly in the areas of offshore pipeline installation, pre-commissioning and other related services.

Azman started his career as an Aircraft Technician in 1988 with AIROD Sdn Bhd. In 1994, he joined Sukitronics Sdn Bhd as a Project Engineer and subsequently, Projass Engineering Sdn Bhd in 1995 until 1998 as a Lead Engineer. Here, he headed the mechanical and piping construction team for power plant fabrication and site erection work. He joined PTIS (M) Sdn Bhd as an Operation Manager in 1998 and headed the company's pre-commissioning and commissioning projects and operations. In 2000, he joined PBJV as General Manager and leads the company in pre-commissioning and commissioning, T&I, onshore pipeline, HUC projects and operations.

Azman also holds directorships in several other private limited companies. He graduated with a Higher Diploma in Mechanical and Manufacturing Engineering and BTEC Diploma in Mechanical and Manufacturing Engineering from Wigan and Leigh Technical College (Salford University), Greater Manchester, UK in 1994. He is also a registered competent Supervisor in Gas Engineering with the Energy Commission.

board of directors' profiles

RASDEE ABDULLAH
EXECUTIVE DIRECTOR

Rasdee Abdullah, aged 43, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 14 May 2012 as an Executive Director. He has been the Vice President of the Operations Division of PBJV since 2011. He has over 18 years of experience in areas such as project management, engineering, procurement, construction, and commissioning of onshore and offshore oil and gas facilities. He started his career in 1994 as a Mechanical Engineer in Drexel Bakti Oilfield Sdn Bhd. He joined MMC Engineering & Services Sdn Bhd as Project Engineer from 1995 to 1996. From 1997 to 2000, he was the Project Engineer at Shapadu Energy and Engineering Sdn Bhd. In 2000, he was appointed as a Construction Superintendent by Ranhill Engineers and Constructors Sdn Bhd. Then in 2003, he joined Baxtech Resources Sdn Bhd as Operations Director prior to joining PBJV in 2011.

Rasdee also holds directorships in other private limited companies. He graduated with a Bachelor of Science in Mechanical Engineering from University of Tulsa, Oklahoma, USA in 1993.

DATUK AZIZAN ABD RAHMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

Datuk Azizan Hj Abd Rahman, aged 58, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 15 April 2013 as an Independent Non-Executive Director. He has more than 30 years of experience in the financial industry. He began his career in Bank Negara Malaysia ("BNM") in 1979 where he held several positions in the areas of finance, examination and supervision, and was also the Director of the Banking Supervision Department. While in BNM, Datuk Azizan was a board member of several government bodies, including Kumpulan Wang Amanah Pencen and ERF Sdn Bhd, as well as an Advisor to the Malaysian Accounting Standard Board.

He was the former Director-General of Labuan Financial Services Authority ("Labuan FSA") where he served for more than six years until his retirement in 2011. While serving in Labuan FSA, Datuk Azizan was a member of several boards, including Labuan Corporation and Financial Park (Labuan) Sdn Bhd, as well as an executive committee member of the Malaysian Islamic Finance Committee. He is currently a board member of Bank Simpanan Nasional, MIDF Amanah Investment Bank Bhd, MIDF Bhd, Uni Asia Life Assurance Bhd, Pramerica BSN Holding Sdn Bhd and Malaysian Rating Corporation Bhd. He also holds directorships in several private limited companies.

Datuk Azizan graduated with a Bachelor's degree in Accounting from University Malaya in 1979 and obtained his Masters in Business Administration from University of Queensland, Australia in 1994. He is a fellow member of CPA Australia and a Chartered Accountant of the Malaysian Institute of Accountants.

SULAIMAN IBRAHIM
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Sulaiman Ibrahim, aged 54, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 1 March 2012 as an Non-Executive Director. On 12 December 2013 he was designated as the Senior Independent Non-Executive Director. Sulaiman was with PETRONAS Carigali for over 25 years in various areas such as engineering, construction, installation and structural until April 2011.

He has experienced the full cycle of project management from tendering exercises, detail design, procurement, fabrication and installation to hook-up and commissioning of offshore facilities and onshore sludge catchers and tank farms. He also holds directorships in other private limited companies. Sulaiman graduated with a Bachelor's degree in Civil Engineering from Universiti Malaya in 1984.

NURHILWANI MOHAMAD ASNAWI
INDEPENDENT NON-EXECUTIVE DIRECTOR

Nurhilwani Mohamad Asnawi, aged 39, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 1 March 2012 as an Independent Non-Executive Director. She is a Chartered Accountant of the Malaysian Institute of Accountants and has approximately 14 years of experience in accounting, finance and treasury.

She joined Konsortium Perkapalan Berhad in 1999 as an Accounts Supervisor and in 2000, Laras Architects Sdn Bhd where she holds the position of Accountant. Nurhilwani graduated with a Bachelor's degree in Accountancy from University (Institute) Technology MARA in 1998.

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Barakah, have no conflict of interest with Barakah and have not been convicted of any offence within the past 10 years.

The details of the Board Committee whom the Directors belong to are on page 10 of the Annual Report.

Our Commitment Is Our Strength

Through organic growth, Barakah has invested in strategic assets which enable stronger capabilities and expanded service offerings that will enhance our revenue base.

GOING DEEPER

chairman's statement

Profit before tax improved 45.8% to RM57.6 million on the back of revenue of RM298.9 million.

Dear Shareholders,

In this inaugural report to our shareholders, it gives me great pleasure to report that Barakah Offshore Petroleum Berhad ("Barakah" or "Company") and its subsidiary companies (collectively referred to as "Barakah Group" or "Group") continued to make significant gains on both the financial and operational fronts for the financial year ended 30 September 2013 (FY 2013). Profit before tax improved 45.8% to RM57.6 million on the back of revenue of RM298.9 million. Apart from the financial numbers, FY 2013 was a very exciting year for us. Operationally, the Group has further consolidated its position in the offshore segment of the Malaysian petroleum industry, while simultaneously laying the foundations for expansion overseas. On the corporate front, the most significant development of 2013 was the listing of Barakah on the Main Market of Bursa Malaysia ("Bursa Malaysia") on 6 November.

Barakah as it stands today has many strengths, but one of our greatest is our unwavering commitment to excellence. In just over a decade, we have established a solid track record of meeting our clients' expectations and undertaking projects for some of the biggest names in the oil and gas industry. In the process, we have earned the trust and respect of these multinational oil companies, building a brand that has become synonymous with quality, safety and reliability.

As we begin a new chapter as a public listed entity, we aim to be nothing less than "To be the Premier Integrated Solutions Provider to the Oil and Gas Industry", and this is encapsulated in our Vision Statement. In striving to achieve our Vision, we will always be guided by our Mission of "Committed to Ensure High Quality and Innovative Solutions without Compromising Safety".

ABD. HAMID IBRAHIM
Independent Non-Executive Chairman

chairman's statement

We are seeing our hard work pay off, but our journey is by no means complete. Having crafted a viable road-map to take us to where we want to be in the future, we will leverage on our strengths to meet the challenges ahead. This approach will lead us to achieve our overriding goals of providing long-term growth and enhanced value for all our stakeholders. With an experienced and capable team, the right assets in place, winning strategies, coupled with the industry's potential to grow, Barakah remains an exciting and dynamic enterprise. We would like to invite you to join us on this journey as we look forward to a future of continued growth in our business.

On behalf of the Board of Directors, it is my pleasure to present this Annual Report and Audited Financial Statements for Barakah Group for the financial year ended 30 September 2013.

FINANCIAL PERFORMANCE

Barakah Group has outperformed all financial expectations for the year under review (FY 2013). Revenue was posted at RM298.9 million, representing a 48% increase over the previous corresponding period (FY 2012). The Group's revenue was contributed mainly by its Pipeline and Commissioning Services, which accounted for RM176.7 million or 59.1%, while the Installation and Construction Services business segment accounted for another RM122.2 million or 40.9%.

Our revenue growth is also a reflection of the Group's continuing efforts to enhance its scope of services in order to generate new revenue streams. Commissioning works have traditionally been the Group's largest contributor to revenue, but with the delivery of our pipelay barge KL101 in September 2012, our installation and construction segment has grown in strength. For the year in review, KL101 generated charter revenue of RM36.6 million working as an accommodation barge.

On 6 November 2013, Barakah made its listing debut on Bursa Malaysia.

Pipe laying from barge

Water winding preparation

Profit before tax increased by 45.8% to RM57.6 million, compared to the RM39.5 million achieved previously. Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") amounted to RM93.3 million, a more than two-fold increase from RM46.1 million achieved in FY 2012. During FY 2013, shareholders' funds also improved to RM172.9 million from RM130.8 million recorded the previous year. On the strength of Barakah's better financial performance, earnings per share also improved to 8.49 sen from 6.86 sen. Although borrowings increased slightly to RM244.4 million, the Group's gearing ratio stood at a reasonable 1.41 times.

DIVIDENDS

As Barakah is still in its growth phase, the Board of Directors does not recommend any payment of dividends in respect of the financial year ended 30 September 2013.

CORPORATE DEVELOPMENTS

The most significant corporate development during the year under review was the corporate exercise that led to the eventual listing of Barakah on Bursa Malaysia.

The corporate exercise included:

- On 20 January 2012, the shareholders of PBJV Group Sdn Bhd ("PBJV") entered into a Proposed Restructuring Scheme that involved, among others, a Share Exchange of the entire issued and paid-up capital of Vastalux Energy Berhad ("VEB") for shares of Barakah and the transfer of VEB's listing status to Barakah. Integral to the Restructuring Scheme, Barakah acquired the entire equity interest in PBJV for a total purchase consideration of RM96,909,061, to be satisfied entirely via the issuance of 969,090,610 new ordinary shares of RM0.10 each. The Barakah's ordinary shares of RM0.10 each were subsequently consolidated into 484,545,305 ordinary shares of RM0.20 each.

- Barakah was incorporated on 1 March 2012 as an investment holding company for PBJV.

- On 3 May 2013, the Securities Commission approved the Restructuring Scheme, including the issuance for up to RM41,604,273 nominal value of 5-year 3.5% redeemable convertible unsecured loan stocks ("RCULS") of RM0.20 each to entitled and existing shareholders.

- On 15 August 2013, the shareholders of VEB approved among others, the Share Exchange and the Restructuring Scheme.

- On 21 August 2013, Bursa Malaysia approved, among others, the listing of and quotation for the entire issued and paid-up share capital of Barakah of up to RM124,812,817.80 comprising 624,064,089 ordinary shares of RM0.20 each and the listing of and quotation for up to RM41,604,273 RCULS on Bursa Malaysia.

- On 6 November 2013, Barakah made its debut on the official List of the Trading/Services Sector of Bursa Malaysia.

Pre-commissioning operation – onshore

From the listing exercise, we raised around RM126.1 million, of which RM41.6 million was utilised to pare down debts incurred in the acquisition of KL101 and another RM4.9 million to cover listing expenses. The balance of RM79.6 million will be set aside for operating as well as capital expenditure.

Leading to the listing of Barakah, we held a series of road-shows and events to create awareness and interest in the Group. I am pleased to inform you that the subsequent demand for Barakah's placement shares and RCULS was overwhelming and we made a very strong debut on Bursa Malaysia. Our ordinary shares opened at 98 sen or 50.8% above the offer price of 65 sen. It reached a high of RM1.13 before closing at RM1.00, with 63.3 million shares traded, outperforming the benchmark Kuala Lumpur Composite Index ("KLCI") and ending the day as one of the top gainers with market capitalisation of RM624 million.

I am also very proud to note that our market capitalisation continued to push upward and we hit the RM1 billion mark on 8 January 2014 when Barakah's ordinary shares closed at RM1.63.

BUILDING ON OUR STRENGTHS

Barakah in Arabic means "blessed" and I feel that our company has been appropriately named. As a Group, we have grown from strength to strength in just over a decade, progressively building and expanding our business and job scope and increasingly taking on bigger and more challenging projects.

A Proven Portfolio. Underscoring our many strengths is our ongoing commitment to excellence and delivering results. Over the past 13 years, Barakah has delivered over RM1.6 billion worth of projects, with some very challenging undertakings in Malaysia's petroleum industry. Under our Installation and Construction Services Segment, some of the more notable projects completed include the West Lutong and Baram Miri Crude Oil Terminal Pipeline Replacement Projects, 28" KAKG/MLNG-2 Shore Approach Pipeline Work for the Kumang Development Project, and EPCC of the Upgrading of Fuel Oil Bunkering Facilities at Bintulu, to cite a few examples. Still ongoing is a project for the Provision of Transportation and Installation ("T&I") of Topsides for the Kebabangan Northern Hub Development Project, offshore Sabah. Barakah was also involved in a number of major Hook-Up and Commissioning ("HUC") projects, having completed among others, Kinabalu Field Pipeline Project and the SKO Pipeline Replacement Project for PETRONAS Carigali Sdn Bhd ("Carigali") and its partners. Our credentials in HUC include the Provision of Offshore Hook-Up and Commissioning of PM329 East Piatu Wellhead Platform and the Provision of Onshore Pre-fabrication and Offshore Modification Works of the Chemingat and East Belumut facilities. Based on our track record, close and fruitful partnerships have been forged with oil and gas companies, with Carigali and Sarawak Shell being prime examples.

Robust Business Model. Barakah's solid performance is also attributable to its unique business model, which is based on measured expansion through organic growth. Having started out as a pipeline services specialist, we have grown by stages to become a market leader in Malaysia in this segment of the industry. We then expanded our services into related activities of T&I and HUC, drawing on earlier knowledge and experience. No doubt the measured expansion via organic growth took some time, but it allowed us to sharpen our execution capabilities and build a strong operational track record, without compromising on safety and quality. This has gone a long way in helping to instill confidence in the Barakah brand among players in the oil and gas industry.

Keen Entrepreneurial Sense. Timing is a critical factor for success in today's competitive business environment, especially in the petroleum industry where the stakes are so high. Barakah Group's timely decision to invest in KL101 and its delivery in September 2012 enabled the Group to own a key asset and be recognised as a significant player in the T&I segment at a time when T&I long-term contracts were being put up for tender. We have also been keeping a pulse on the market to identify market trends and emerging opportunities. This allowed us to quickly map out an effective plan of action to stay competitive. Being relatively small in size has also given us the advantage of being nimble, and this is a key competitive advantage we will bank on even as we expand.

Committed Human Assets. We also count among our blessings a very committed workforce led by an experienced management team. In all our undertakings, our people have been very hands-on in execution and are fully focused on delivering results. As we forge ahead to a promising future, our people will remain key elements of the Group's strategic resources, playing a decisive role in shaping our destiny.

Innovative Solutions. Providing innovative solutions to clients goes a long way when we look to become a preferred service provider. The year 2013 saw PBJV playing the role of partner to an international company with technology in reinforced thermal plastic pipe ("RTP"). This involved the installation of the longest pipe replacement project in the world, measuring more than 17 kilometres in length using the insertion method. This is where a new flexible pipeline is inserted through an existing pipeline that was to be replaced. For a pipe replacement project, this RTP and installation method is a breakthrough and provides for substantial savings to clients in terms of time and cost as compared to replacement using conventional steel pipes. We will continue to look for innovative solutions both in new technologies or work processes to offer added value to our clients.

FUTURE STRATEGIC DIRECTIONS

Moving forward from the listing exercise and as we position ourselves for the next thrust forward, the future plans and strategies of Barakah will be focused on three key areas:

Enhancing Our Asset Base. In order to keep pace with its expanding operations, Barakah Group has plans in the pipeline for the purchase of new equipment and machinery, setting aside capex investment for this purpose. We are still in the midst of identifying the right assets, taking into consideration the immediate revenue growth areas and the need to prioritise our capex requirements. We are looking at various equipment needed for more effective cost management, expanding the range of services that we can offer and improving efficiency to better serve our clients. We expect the capex investment exercise to be completed in FY 2014.

Chartering of KL101. Since its delivery in September 2012, KL101 has been chartered as an accommodation barge to PETRONAS Gas Berhad and PERTAMINA. With the capability to offer a host of complementary services such as anchor handling towing support, remote operating vehicles, diving support vessel and tugboats, Barakah Group can now position itself as a 'one-stop' local service provider in this highly specialised area.

KL101 is also well positioned to take advantage of the growing demand for more conventional derrick pipelay barge services in the Asia-Pacific area. This market segment is driven by new offshore platforms and pipelines associated with new field developments, oil and gas trunklines, subsea tieback projects in addition to inspection, repair, modification and maintenance services to support the existing infrastructure.

Geographical Expansion. Our first foray overseas started in July 2011, when PBJV entered into a joint venture agreement with Energy Development Co Ltd of Saudi Arabia, providing a spring-board for Barakah to break into the Gulf market. This led to the incorporation of a new joint venture entity, PBJV Gulf Co Ltd ("PBJV Gulf") in March 2012, with Barakah holding the majority share in the joint venture. Since then, PBJV Gulf has received various licences and registrations from the relevant Saudi authorities and has commenced bidding for works in Saudi Arabia.

In striving for sustainable growth and increased value for our shareholders, we know that our strategies for new growth must be made with prudence and recalibrated from time to time in the face of market dynamics. With the foundations laid for a brighter future, we will approach with great care the further building of a highly competitive and efficient Malaysian-grown company positioned for domestic and international growth.

Construction of Cofferdam

Pig launcher/riser – pre-commissioning

ACKNOWLEDGEMENTS

All that Barakah has achieved to date has been made possible by our workforce of 328 people as of 31 January 2014. Working together and creating innovative synergies, our people are remarkable for their diversity of talents, professionalism and their commitment to the enduring values so critical to Barakah's success. Because we have a strong team, I am confident the best is yet to come. I thank all of you.

We would also like to thank all those involved in the successful listing of Barakah, including our advisers, auditors and lawyers, as well as the relevant regulatory authorities and government agencies.

Our support group includes our clients, who have over the years guided and encouraged us to sharpen our capabilities and gradually trusted us to execute increasingly bigger projects. The guidance, encouragement and cooperation extended to us have been invaluable and has helped us in no small measure to achieve our goals and expand our horizons.

We also wish to thank our shareholders for their confidence in our business prospects. This is evident from our strong performance on Bursa Malaysia. I strongly believe that we will have your continuing support as we position ourselves to meet the opportunities and challenges of the future.

Last but not least, we are fortunate to have a strong Board, equipped with a broad range of expertise and experience to provide the sound counsel and corporate oversight to propel the Group forward.

My many years of service in the oil and gas industry have convinced me of the tremendous underlying strengths and potential of this great business. For Barakah, an important page has been turned and we are well positioned to stake out a brighter future. With all your support, the momentum we have established will help us to achieve our Vision.

Thank you.

ABD. HAMID IBRAHIM
Independent Non-Executive Chairman

10 February 2014

Focused on capitalising opportunities and unlocking potential in new markets, Barakah will continue to leverage on our core competencies in order to grow bigger and better, putting in place the building blocks for sustainable entity that grows more robust with time.

GOING FORWARD

Our Commitment Is Our Strength

review of operations

Dear Shareholders,

The financial year ended 30 September 2013 was a watershed year for Barakah Group. New milestones were etched on the corporate and business fronts, underscoring our success as a home-grown entity that has capitalised on the various opportunities to emerge as a major player in the Malaysian petroleum industry.

The size of our order book and our track record of project execution and delivery all bear testimony to how much the Group has evolved since its inception. Today, I am proud that Barakah Group is able to hold its own in many competitive bidding exercises, open to both local and international companies. Success, however, cannot only be measured in terms of the size of our order book. In a very competitive industry, our performance and execution track records are of utmost importance. By committing ourselves to service excellence, we have been able to deliver. With our portfolio of successfully completed projects working for some of the biggest players in the domestic and international market, Barakah has earned its rightful place in the Malaysian petroleum industry as a brand name that is going places.

SYED ABDUL RAHIM SYED JAAFAR
President & Chief Executive

OPERATING ENVIRONMENT

In balance, the global economy showed signs of improvement throughout FY 2013, although downside risks remained with the continuing weaknesses of the financial system, instability in currency exchange rates and slow recovery from the recession in Europe. While oil markets have witnessed occasional supply disruptions, oil and natural gas continued to meet more than half of the world's energy needs. Buoyed by growing demand from emerging economies, crude oil prices have held steady during the year under review.

In Malaysia, Barakah continues to operate in a favourable operating environment with the economy remaining on a steady growth trajectory. According to Budget 2014, the Malaysian economy is projected to expand at a stronger pace of between 5.0% and 5.5% in 2014, sustained by strong domestic demand and the increasing role of the private sector as a driver of growth (Source: Economic Report 2013/2014, page 75).

Malaysia's crude oil production declined marginally by 0.03% to 576,000 barrels per day ("bpd") during the first eight months of 2013, due to lower production from maturing fields. On the other hand, production of natural gas grew 6.1% to 6,258 million standard cubic feet per day ("mmscfd") over the same period (Source: Economic Report 2013/2014, page 98) To offset the declining crude oil production trend, Petroliam Nasional Berhad or PETRONAS, the national petroleum corporation, is committed to ramp up production from the existing fields and accelerate new development projects. To this end, PETRONAS has unveiled a RM300 billion capex plan over the period 2012-2016 to spur exploration and development activities and sustain production levels.

REVIEW OF OPERATIONS

Barakah can look back on a very satisfactory FY 2013 in terms of its operational performance and delivery. Throughout 2013, we continued to build on what have been achieved to strengthen our mainstream core businesses. By end of December 2013, our order book reached an all-time high of RM2.24 billion.

This reflects a concerted and strategic business objective of the Group to grow all its businesses in tandem by progressively building and horizontally expanding our business capabilities and job scope. Commissioning works have traditionally been our area of expertise, but with the delivery of our pipelay barge, KL101, in September 2012, we now have the key asset for our installation and construction services segment and this has been reflected in the Group's revenue.

PIPELINE AND COMMISSIONING SERVICES

- **Pre-Commissioning, Commissioning and De-Comissioning**
  Barakah provides a range of pre-commissioning, commissioning (cleaning and maintenance, pigging, gauging, flooding, hydrotesting, de-watering, drying and nitrogen testing) as well as decommissioning services (flushing, de-gassing, flooding, de-oiling, preservation and abandonment). In FY 2013, we secured 51 new contracts worth RM165 million, which included key projects such as the Pipeline Dewatering Project for the Kebabangan Nothern Hub. As at financial year-end, we completed RM109.1 million worth of projects and still have about RM82.7 million worth of projects still ongoing to be carried forward to FY 2014.

- **Topside Major Maintenance & Hook-Up Commissioning**
  The Group also has expertise in providing onshore pre-fabricated steel structures, process piping, mechanical equipment, electrical system and instrument control system for topside of offshore oil & gas production facilities, maintenance, blasting and painting works. During the year, we secured the long term Pan-Malaysia Hook-Up and Commissioning Contract 2013-2018, Package C from three Production Sharing Contractors ("PSCs") which we estimate to have a value of about RM500 million over five years.

INSTALLATION AND CONSTRUCTION SERVICES

- **Offshore Transportation And Installation**
  The Group provides a range of services that include pipeline, riser, submarine cable installation, transportation and installation of offshore structures, installation of shore approach, pipeline and structure repairs and riser guard installations. The highlights was the award from 11 PSCs in Malaysia of the long term Pan-Malaysia Transportation and Installation Contract 2014-2016 Package A which we estimate would have a value of about RM1.5 billion over three years.

- **EPCC Onshore Pipeline and Construction**

  Barakah provides full Engineering, Procurement, Construction and Commissioning ("EPCC") services for onshore gas transmission pipeline construction as well as small to medium-sized process facilities. Under this business segment, our job scope includes mechanical and piping erection for onshore process plants, minor fabrication services and shutdown maintenance services. The highlight of the year was when we secured another sizeable project from PETRONAS Gas Berhad for the EPCC of Prai Gas Lateral Pipeline valued at about RM94 million.

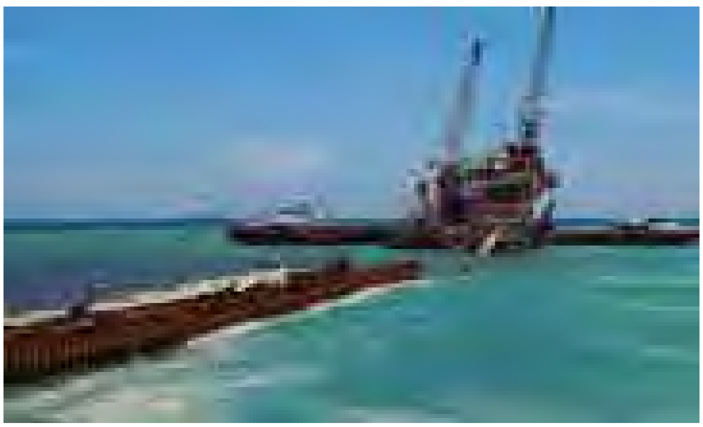
- **Ship Management & Chartering and Underwater Services**

  Against a backdrop of increased oil and gas E&P activities, the global demand for marine vessels remained high in FY 2013. The Group has been licensed by PETRONAS to supply marine vessels in accordance to the Standardised Work and Equipment Categories ("SWEC") code. The main event for the year under review was the completion and delivery of our jewel, pipelay barge KL101 in September 2012. We immediately put it to work, albeit in accommodation mode only where it was chartered first in Malaysia and then in Indonesia for a total of eight months. KL101 was well accepted by our clients and the vessel is now being prepared for its main intended purpose to do installation work expected to commence by middle of 2014. During the year, the Group provided specialised subsea diving services utilising DPSV Crest Odyssey 2 for a 30-day period to Global Offshore Malaysia, an Offshore Installation Contractor ("OIC"). We have also received enquiries from a number of PSCs and OICs to provide vessels for their HUC, topside maintenance and T&I programmes.

FULFILLING OUR SOCIAL RESPONSIBILITY

No report to our shareholders would be complete without some mention of what we have done in respect of fulfilling our Corporate Social Responsibility ("CSR"). While forging ahead to achieve our business objectives, we firmly believe that our actions and plans must rest on the bedrock of sustainability. As we see it, CSR simply makes good business sense by incorporating good environmental practices, good social practices and good governance ("ESG").

Dedicated staff at work



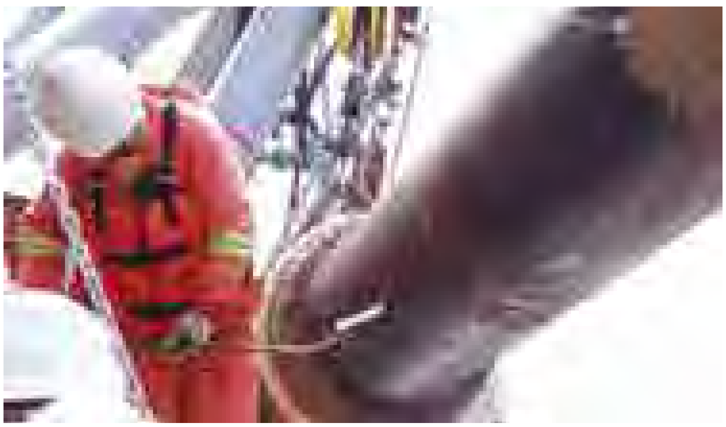
Shore approach

Beginning in our own backyard, our prime asset is the collective knowledge and expertise of our human capital. Our people are the ones who deliver results and all our successes and achievements to date have resulted from their hard work and commitment. That is why we invest considerable resources to provide critical support to our people – leadership, a competitive remuneration package, training and a conducive work environment – opening doors to unlimited opportunities for those who seek lifetime employment within the Group. Our values are anchored to our commitment to excellence and are embedded in all we do, enabling us as a team to satisfy our clients.

In this day and age where everything is so commercially driven, we are trying our best to make a positive difference to the communities in which we operate. We have long supported many charitable organisations and numerous worthwhile causes, but like Barakah, our community outreach programme continues to evolve. In weighing our options, our community aspiration is to embark on programmes and projects that will leave behind a positive legacy for the benefit of present and future generations of Malaysians.

Good corporate governance is the hallmark in fulfilling our commitment to the marketplace. Taking our cue from the Malaysian Code on Corporate Governance 2012 and other relevant guidelines, we are committed to ensuring that high standards of corporate governance are practised to ensure the Group's competitiveness, growth and sustainability.

Enhanced standards of transparency will serve to strengthen the Group's overall effectiveness and we aim to provide vital insights into our Group and its operations to all our stakeholders through our website, announcements through Bursa Malaysia or media and other communication channels.



Riser tie-in

The highlight of the year was when we secured another sizeable project from PETRONAS Gas Berhad for the EPCC of Prai Gas Lateral Pipeline valued at about RM94 million.

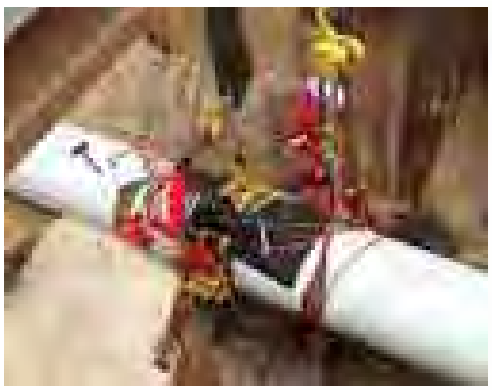
The health and safety of our employees, contractors and those we come into contact with have always been a paramount concern. A raft of measures, including the Group Health, Safety and Environment ("HSE") Policy, Drug And Alcohol Abuse Policy, Stop Work Policy and Chemical Usage Policy, has been rolled out on 1 November 2013 to ensure the systematic management of processes for safety, employee health and preservation of the environment. We have a policy of zero tolerance on non-compliance and I am pleased with our safety performance for the year under review, having achieved 1.2 million man-hours (January-September 2013) without Lost Time Incident ("LTI").

INDUSTRY OUTLOOK

The market remains bullish about the prospects of the global exploration and production activities in the coming years, driven by stable oil prices and increasing hydrocarbon demand. In the World Oil Outlook 2013 published by the Organisation of Petroleum Exporting Countries ("OPEC"), the oil and gas sector will remain essential for the global economy well into the 21st century. According to the International Energy Agency, the world consumed around 91.2 million barrels per day of oil in 2013. Thus, despite volatility of the global economic environment and ongoing geopolitical tensions in a number of countries, the global oil and gas industry has remained largely resilient. With oil price projected to stay above the USD80 per barrel range, global oil and gas capex is forecast to increase to USD1,201 billion in 2013 (Source: PR Newswire, 22 January 2013). North America is expected to witness the highest capex globally, followed closely by the Asia-Pacific region, Middle East and Africa.

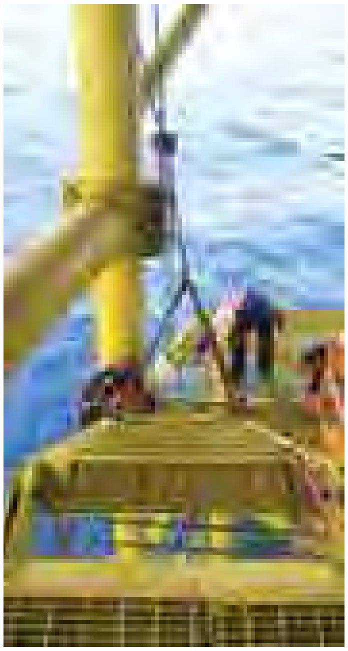
Over the longer term, OPEC projects that oil and natural gas will remain a key energy source and by 2035, will account for 26.3% and 26.0% respectively of the global energy demand. To meet the world's appetite for oil and gas, global oil and gas exploration and production activities will amount to USD5.2 trillion over the period 2012-2035 (Source: OPEC World Oil Outlook 2013, pages 8 and 69).

Linear winch / Beach pull



Onshore pipeline tie-in


PORT KELANG



Hook-up commissioning

In Malaysia, energy (including oil and natural gas) security is high on the Government's agenda as it strives to realise its aspiration of achieving developed nation status by the year 2020. As an integral part of the Government's Economic Transformation Programme ("ETP"), where oil and gas had been identified as one of the 12 National Key Economic Areas, the ETP will focus on four key thrusts: sustaining oil and gas production; enhancing downstream growth; making Malaysia the Number One Asian hub for oilfield services; and building a sustainable energy platform for growth.

Since the launch of the ETP, significant strides have been made in the oil and gas sector. As at January 2013, Malaysia's proven oil and natural gas reserves stood at 4 billion barrels and 83 trillion cubic feet respectively. (Source: US Energy Information Administration, updated as at 3 September 2013). As custodian of the nation's oil and gas reserves, PETRONAS has reviewed the PSC terms and has introduced new petroleum arrangements to attract newcomers to operate in Malaysia. It is also taking the lead in efforts to maximise oil and gas recovery through diligent reservoir management and venturing into the technologically demanding areas of deepwater exploration and development of Malaysia's 105 marginal fields under the Risk Service Contract ("RSC") arrangements. As a result of these concerted efforts, Malaysia continues to attract significant interest among multinational companies. PSCs already operating in Malaysia, on their part, have increased capex expenditure for exploration and development and Enhanced Oil Recovery ("EOR") activities.

FUTURE PROSPECTS

Given the industry's resilience, one cannot help but be bullish about Barakah Group's future prospects. As we begin the new financial year, Barakah Group already has an order book of RM756 million, which include RM500 million worth of HUC contracts from three PSCs, namely Petrofac Ltd, Newfield Energy Co and Talisman Energy Company. Our current order book is expected to keep the Group busy for the next three years. Although the pipeline services segment has traditionally been the largest contributor to Barakah Group's revenue, we are beginning to see our efforts to broaden our earnings base pay off. Having invested in assets such as KL101, we expect the transportation and installation segment to grow to be the next key contributor to the Groups' revenue.

Malaysia's cabotage policy favours domestic operators and with KL101, Barakah is well positioned to undertake bigger and more challenging offshore pipeline activities such as PETRONAS' multi-billion Ringgit Pan-Malaysia Integrated Offshore Installation contract. In November 2013, PETRONAS announced that the contract had been awarded to three Malaysian companies, one of them being PBJV. This contract comes barely two months after our listing exercise and augurs well for the Group moving forward into the new financial year.

Barakah Group's portion of the contract is estimated to be worth around RM1.5 billion and will run for the duration of three years from December 2013 to December 2016, with a one-year extension period. The scope of work includes the transportation and installation of facilities such as pipelines and related equipment for offshore oil and gas fields within Malaysia.

Meanwhile, we are also keeping an eye on new contracts for commissioning and sub-contracting works in the T&I market segment. Given the positive industry outlook and barring any unforeseen circumstances, Barakah Group has set a target for a double-digit revenue growth for the coming financial period ending December 2014. To date, most of the Group's revenue is derived from Malaysia. However, we are also keeping a close watch on opportunities in regional markets such as Indonesia, Brunei and Vietnam and the Middle East for future growth. Let me assure you that in pursuing our plans to be an international player, we will proceed with caution, focusing on low-risk regions with good growth prospects. As mentioned by the Chairman in his Statement, we have incorporated a new entity, PBJV Gulf, to make inroads into the Middle East Gulf region. PBJV Gulf had already obtained the necessary certification to provide services for offshore installation, maintenance, pre-commissioning and commissioning activities and had commenced bidding for projects in the Gulf region.

A lot of ground had been covered in the past year, but it is important to point out that Barakah is a Group that is still growing. We have a Vision to fulfil and the achievements of the past decade will now serve as a solid foundation for Barakah to embark on a new phase of growth and profitability. Nonetheless, we acknowledge the fact that we still have our work cut out for us and in our line of business, there can be no room for complacency. That is why we are constantly reminding ourselves that "Our Commitment is Our Strength".

ACKNOWLEDGEMENTS

As always, we appreciate the hard work and dedication of our employees, the guidance of our directors, and the support of our shareholders, clients and suppliers. Barakah's future has never been brighter and with your continued support, the best is yet to come.

I thank all of you.

SYED ABDUL RAHIM SYED JAAFAR
President & Chief Executive

10 February 2014

Our Commitment Is Our Strength

By enhancing, developing and nurturing the talent of our diverse pool of professionals, Barakah is ready to take on the future.

GOING FURTHER

organisation structure

BARAKAH OFFSHORE PETROLEUM BERHAD

BOARD OF DIRECTORS

AUDIT AND RISK MANAGEMENT COMMITTEE

PRESIDENT & CHIEF EXECUTIVE
SYED ABDUL RAHIM SYED JAAFAR

VP & CHIEF FINANCIAL OFFICER
FIRDAUZ EDMIN MOKHTAR

VP & CHIEF CORPORATE OFFICER
ABDUL RAHIM AWANG

GM CORPORATE SERVICES
NASIRUDDIN LIM ABDULLAH

CHIEF INTERNAL AUDITOR
MOHAMED FAROOK NASAR

PBJV GROUP SDN BHD

EXECUTIVE CHAIRMAN
NIK HAMDAN DAUD

PRESIDENT & CHIEF EXECUTIVE
AZMAN SHAH MOHD ZAKARIA

- VP OPERATIONS
  RASDEE ABDULLAH
  - GM PROJECT IMPLEMENTATION
    AHMAD AZRAI ABU BAKAR
  - GM MARINE OPERATION
    CAPT. NORZALI M. ZAIN
  - GM OPERATION SUPPORT
    MOHAMAD ROSLI MAT ALI
- VP FINANCE & ACCOUNTS
  HANIZA JAFFAR
- VP COMMERCIAL & LEGAL
  ALIAS ANUAR
- VP BUSINESS DEVELOPMENT & HRA
  KAMARUDDIN ISMAIL
- CORPORATE QHSE
  MOHD ALWI MISMAN

executive committee

Standing (left to right):
Rasdee Abdullah
Syed Abdul Rahim Syed Jaafar
Nik Hamdan Daud
Azman Shah Mohd Zakaria
Firdauz Edmin Mokhtar

barakah senior management

Seated:
Syed Abdul Rahim Syed Jaafar

Standing (left to right):
Firdauz Edmin Mokhtar
Abdul Rahim Awang
Nasiruddin Lim Abdullah
Mohamed Farook Nasar

barakah senior management profiles

SYED ABDUL RAHIM SYED JAAFAR
PRESIDENT & CHIEF EXECUTIVE

Syed Abdul Rahim Syed Jaafar, aged 54, a Malaysian, joined Barakah Offshore Petroleum Berhad on 2 February 2013, and designated as the President & Chief Executive on 1 July 2013. He is responsible for positioning the Group at the forefront of the industry and strategising plans for revenue, profitability and growth, including identifying acquisition and/ or merger opportunities and promoting Barakah locally and internationally. He started his career as a Traffic Officer with Klang Port Authority in 1979. In 1982, he was an Operations Executive with Pernas Sime Darby Shipping Sdn Bhd. Two years later, he joined PETRONAS Dagangan Berhad as an Executive for its Coastal Transportation Section, and in 1987 he moved to its Plants and Terminals Department. He had held various positions within the PETRONAS Group of Companies, including Secretary of the Central Tender Committee of the Group Tenders and Contracts Division, Manager of PETRONAS' President's Office, Manager of the Procurement Department of PETRONAS Gas Sdn. Bhd. and Senior Manager of the Vendor Development Department of the Group Tenders & Contracts Division. He was also the Head of Regional Sourcing (Asia) for PETRONAS Lubricants International Sdn Bhd. While in PETRONAS, he also attended the Management Development Programme by Melbourne University Private and the Senior Management Programme by INSEAD in Singapore. Syed Abdul Rahim graduated with a Bachelor's degree in Transport from Mara Institute of Technology in 1980. He is an Associate Member of the Chartered Institute of Transport, UK.

Save as disclosed, Syed Abdul Rahim Syed Jaafar has no family relationship with any Director and/or major shareholder of Barakah, have no conflict of interest with Barakah and have not been convicted of any offence within the past 10 years. He does not hold any directorship in public company nor interest in Barakah Securities.

FIRDAUZ EDMIN MOKHTAR
VP & CHIEF FINANCIAL OFFICER

Firdauz Edmin Mokhtar, aged 40, a Malaysian, is the Vice President and Chief Financial Officer of Barakah Offshore Petroleum Berhad. He joined the company on 4 June 2012 to oversee the management of financial risks, financial planning and its overall financial activities. He started his career as a Consultant with the Corporate Finance and Recovery Department of PricewaterhouseCoopers in 1996. In 1999, he joined Amanah Merchant Bank Berhad as an Executive with the Corporate Finance Department. In 2001, he moved to Sitt Tatt Berhad ("STB") as Corporate Development Manager and was transferred in the same year to Chase Perdana Berhad, a related company of STB, as the Head of the Corporate Affairs Department. In 2003, he joined Ranhill Berhad as Senior Manager of Corporate Finance. Two years later, his career took him to the Investment and Corporate Finance Department of PECD Berhad. He left the company in 2007 as the Head of the Investment and Corporate Finance Department and joined Tidalmarine Engineering Sdn Bhd as Director of Corporate Affairs and Finance for five years prior to joining PBJV. Firdauz graduated with a Bachelor's degree in Accountancy (Honours) from International Islamic University Malaysia in 1997 and is a Chartered Accountant of the Malaysian Institute of Accountants.

ABDUL RAHIM AWANG
VP & CHIEF CORPORATE OFFICER

Abdul Rahim Awang, aged 48, a Malaysian, joined Barakah Offshore Petroleum Berhad on 2 September 2013 as the Vice President and Chief Corporate Officer. He started his career with Ernst & Young as a Junior Audit Assistant and later as an Audit Assistant in the audit division from 1988 to 1992. He then joined Bumiputra Merchant Bankers Berhad in 1992 as an officer and later assumed the position of Assistant Manager in the Corporate Finance Department. He was involved in various corporate advisory services including mergers and acquisitions, financial restructuring and initial public offerings. In 1995, he joined Tongkah Holdings Berhad ("THB") as Corporate Finance Manager and was responsible for the group's corporate finance including funding activities, mergers and acquisitions and corporate restructuring exercises. On 9 May 2001, he was appointed to the Board of Directors of THB. In 2004, he was appointed as General Manager, Finance of HL Engineering Sdn Bhd (later renamed Kencana HL Sdn Bhd) and was responsible for overall financial strategies, including funding arrangements and financial administration. In 2005, he was appointed as the Chief Financial Officer of Kencana Petroleum Berhad ("KPB"). Later in 2007, he was designated as Head of Corporate Affairs and his job included overseeing the corporate finance and investor relations of the group. Following the merger of KPB with SapuraCrest Petroleum Berhad in May 2012, he assumed the position of Head of Capital Management and Investor Relations until June 2013. He graduated with a Bachelor of Arts in Accounting from St. Martin's College, USA in 1986.

MOHAMED FAROOK NASAR
CHIEF INTERNAL AUDITOR

Mohamed Farook Nasar, aged 40, a Malaysian, joined Barakah Offshore Petroleum Berhad on 21 October 2013 as the Chief Internal Auditor. He has more than 16 years of experience in internal auditing in various industries. Farook was formerly the Deputy Chief Internal Auditor of SapuraKencana Petroleum Berhad ("SKPB"). Prior to the merger of SapuraCrest Petroleum Berhad ("SCPB") and Kencana Petroleum Berhad ("KPB") in May 2012, he was the Acting Head of Internal Audit of SCPB since 2011. Before joining SCPB, he was the Senior Manager Internal Audit of KFC Holdings Berhad, Head of Internal Audit of LKT Industrial Berhad, Head of Internal Audit of Umpan Group of Companies, Technical Manager of The Institute of Internal Auditors Malaysia and Internal Audit Representative of Merrill Lynch's associate company in Malaysia (Smith Zain Securities). He has been the Honorary Treasurer of The Institute of Internal Auditors Malaysia since 2011 and regularly gives talks on internal auditing. He was a Universiti Sains Malaysia guest lecturer. He is also one of the authors of 'Principles and Contemporary Issues in Internal Auditing' which is used by local public universities. Farook graduated with a Bachelor's degree in Accountancy (Honours) from International Islamic University Malaysia in 1997. He also holds a Masters in Business Administration from USM, a Certification in Risk Management Assurance (US) and is a US-Certified Internal Auditor.

NASIRUDDIN LIM ABDULLAH
GENERAL MANAGER CORPORATE SERVICES

Nasiruddin Lim Abdullah, aged 49, a Malaysian, joined PBJV in 2008 and is the General Manager, Corporate Services of Barakah Offshore Petroleum Berhad. He started his career in 1988 with Hitachi Consumer Products Sdn Bhd as a Finance Executive. From 1990 to 1994, he worked with Proton Berhad as an Assistant Manager in Treasury and Accounts and was a Task Force Group member of the Proton-Citroen project. In 1994, he joined the Articulate Corporation Group of Companies and left as Chief Financial Officer in 1997. That same year, he joined Maju Holdings Sdn Bhd as General Manager for Corporate Affairs in the property division. He was the Chief Financial Officer of Usra Sdn Bhd from 1999 to 2005. His involvement in the oil and gas industry started when he joined Sukimi Sdn Bhd as its Chief Financial Officer from 2005 to 2007. Nasiruddin graduated with a Bachelor's degree in Accountancy (Honours) from Universiti Utara Malaysia in 1988. He is a Chartered Accountant of the Malaysian Institute of Accountants.

PBJV senior management profiles

KAMARUDDIN ISMAIL
VP BUSINESS DEVELOPMENT & HRA

Kamaruddin Ismail, aged 43, a Malaysian, is the Vice President of Business Development and Human Resource and Administration at PBJV. He first joined the company in 2001 as a Operations Manager and led technical personnel and project teams for various tasks, including preparing proposals, project execution and completion of the pre-commissioning, commissioning and de-commissioning stages. In 2007 he was transferred to the Miri office in Sarawak as a Project Manager in charge of the Eastern Region, handling the overall underwater maintenance and pre-commissioning, commissioning and de-commissioning activities as well as the day-to-day business and operations. In 2009, Kamaruddin was promoted to International Business Development Manager and his work scope covered Asia Pacific and the Middle East, and involved handling market surveys, risk management, sourcing potential local partnerships and tendering. In 2013, he was promoted to Vice President of Business Development & HRA due to his wide experience in handling projects and manning operational manpower. Kamaruddin graduated with a Diploma in Agriculture Engineering from University Putra Malaysia in 1991.

HANIZA JAFFAR
VP FINANCE & ACCOUNTS

Haniza Jaffar, aged 39, a Malaysian, is the Vice President of Finance and Accounts at PBJV. She started her career as an Accounts Executive with several private limited companies prior to joining PBJV in 2001 to manage the treasury, working capital, finance and accounting functions. She was made General Manager – Group Finance and Accounts in 2010 and was subsequently promoted to her current position in 2011. Haniza graduated with a Bachelor's degree in Accountancy from University (Institute) Technology MARA in 1998. She is a Chartered Accountant of the Malaysian Institute of Accountants.

ALIAS ANUAR
VP COMMERCIAL & LEGAL

Alias Anuar, aged 48, a Malaysian, joined PBJV in 2005 and has been the Vice President of the Commercial & Legal Division since 2011. He leads the tender and proposal department and oversees procurement, contracts and cost control. In 1990, he worked with Melbourne Metropolitan Board of Work as a Graduate Mechanical Engineer and a year later, joined Sime Sembawang Engineering Sdn Bhd as a Mechanical Engineer. In 1993, he joined Shapadu Energy and Engineering Sdn Bhd, initially as Project Engineer and was subsequently promoted as Project Manager. He joined Ranhill Engineers and Constructor Sdn Bhd ("RECSB") in 2000 as a Senior Construction Manager. In 2003, he moved to Ramunia Fabricators Sdn Bhd as Engineering Coordinator and rejoined RECSB as Project Manager for Sudan assignment. He then joined Baxtech Resources Sdn Bhd as Project Manager and a year later moved to PBJV as Senior Operation Manager. He was then promoted to Technical Support Service Manager in 2008. He graduated with a Bachelor's degree in Mechanical Engineering from Swinburne Institute of Technology (Swinburne University of Technology), Melbourne, Australia in 1990.

AHMAD AZRAI ABU BAKAR
GM PROJECT IMPLEMENTATION

Ahmad Azrai Abu Bakar, aged 50, a Malaysian, joined PBJV in 2006 and is the General Manager of Project Implementation for the Operations Division of the company. He leads technical personnel and project teams for proposals and project execution. In 1986, he was a Marine Engineer with Malaysian International Shipping Corporation Bhd. In 1988, he joined Chiyoda Malaysia Sdn Bhd and three years later, Nigata Engineering Sdn Bhd as Construction Supervisor. In 1992, he joined Sri Takada (M) Sdn Bhd as a Field Engineer. A year later, he took on the role of Senior Mechanical Engineer and subsequently Site Manager with Projass Engineering Sdn Bhd. In 1995, he joined Toyo Engineering Corporation, Nigata Engineering Corporation Japan as Superintendent, then Ramgate System Sdn Bhd as Project Manager. In 1998, he was Engineering Inspector for Pakaruji Sdn Bhd and then joined OGP Technical Services Sdn Bhd as Senior Static Planner. He was also a Construction Manager with Dialog Engineering and Construction Sdn Bhd in 2000 and MMC Engineering & Services Sdn Bhd in 2003. Ahmad Azrai graduated with a Diploma in Marine Engineering from Politeknik Ungku Omar, Ipoh, Perak in 1986.

MOHAMAD ROSLI MAT ALI
GM OPERATION SUPPORT

Mohamad Rosli Mat Ali, aged 48, a Malaysian, joined PBJV in 2011. He is the General Manager of Operation Support for the Operations Division and oversees and manages its support operations for material management, logistics and yards operation management. He started his career in 1990 with Offshore Computing and Engineering Sdn Bhd as a Mechanical/Pipeline Engineer. He has also worked with PETRONAS Carigali as Front-End Engineer, Senior Construction Engineer, Senior Facilities Engineer, Senior Pipeline Engineer, Company Site Representative for diving support vessel, underwater inspection and module and platform installation. In 2006, he was Project Manager of GE Oil & Gas Pipeline Solution Sdn Bhd. He was General Manager at Selia Oil & Gas Sdn Bhd from 2008 to 2011. Mohamed Rosli graduated with a Bachelor's degree in Mechanical Engineering from Northern Arizona University, Flagstaff, Arizona, USA, in 1990. He also holds a Welding Inspector Certificate from the Institute of Materials, Malaysia.

CAPT. NORZALI M. ZAIN
GM MARINE OPERATION

Norzali Mohd Zain, aged 55, a Malaysian, joined PBJV in 2011 and is the General Manager of Marine Operation for the Operations Division. He leads the marine operations for KL101 and chartering of Offshore Supply Vessels. He started his career as a Marine Deck Apprentice in Singapore Polytechnic in 1976. In 1977, he was a Merchant Marine Officer with Malaysian International Shipping Corporation Bhd. In 1986, he took on the role of Principle Marine Warranty Surveyor with Ranaco Marine Sdn Bhd and then Director and Principal Warranty Marine Surveyor in Noble Denton Malaysia. In 1998, he joined Permint Engineering Sdn Bhd as General Manager. In 2001, he was Resident Manager at Ta Ching & BT Engineering Singapore. A year later, he joined Pelorus Sdn Bhd as Technical Manager for oil & gas division. In 2007, he joined Berkat Global Sdn Bhd as General Manager/Principal Marine Warranty Surveyor overseeing the PETRONAS Carigali Marine Warranty Inspection. Prior to joining PBJV, he was Marine Specialist for the Asia Pacific region with DHL Global Forwarding, Singapore. He holds a Merchant Marine Officer Competency Certificate from Sydney Technical College, New South Wales, Australia.

corporate social responsibility

GIVING BACK TO SOCIETY

Barakah Group has a tradition of caring and sharing, stemming from a long-held conviction that we can make a difference to the lives of the many people we touch – be it our employees, our stakeholders and the community at large. Even as we grow, we continue to work to ensure that our success is inclusive through our various Corporate Social Responsibility ("CSR") programmes and activities, striking a balance between profitability and social conscience and responding to the expectations of society and ensuring sustainability.

CSR goes beyond altruism; it has become a mainstream business issue integrating socially responsible policies, practices and programmes into decision-making and business operations. While Barakah Group is still charting a new and more encompassing CSR strategy that will have a more meaningful and lasting impact, we are taking our direction from Bursa Malaysia's CSR Framework to focus on four main areas – Workplace Development, Marketplace Development, Community Development and Health Safety and Environment.

WORKPLACE DEVELOPMENT

In preparing for the next thrust forward, our people are the ultimate source of the Group's competitive advantage. Therefore, our ability to attract and retain the best people the market has to offer is imperative to the continued successful operations and performance of the Group. In our efforts to be an employer of choice, we endeavour to provide a conducive working environment for our employees, and invest significant resources to ensure their health and safety.

The management of Barakah strives to inculcate a strong teamwork culture across the Group in an environment marked by trust, empowerment and transparency. As such, Barakah Group has put in place its Code of Ethics and Conduct Policy to promote ethical principles and values in order to establish good corporate culture and conduct for the prosperity, of the Group. Our success to date can be attributed to a large extent, to the shared values among management and staff. These values are embedded in all we do – enabling us to deliver superior customer service and to realise our Corporate Vision.

In our commitment to building people, the Group has adopted the following strategies:

- Developing a structured career path for each employee, preparing them for the next steps in their career progression by developing specific competencies to help them move horizontally or vertically within the organisation
- Developing a succession plan framework as a motivational tool as well as to ensure leadership continuity
- Nuturing talent through training programmes in order to achieve the individual as well as the corporate goals

Lending a helping hand to the less fortunate in Port Dickson, Negeri Sembilan

As a critical factor for success, our training objective is to build a corps of highly-trained personnel equipped with the right skills and knowledge to effectively perform their tasks. To this end, the Group has invested in training, which consists of both internal and external programmes tailored towards developing the technical and soft skills of employees. In an industry such as ours, technical training imparts the necessary skills and knowledge to employees so that they can perform more effectively. It also helps in the prevention of workplace mistakes or accidents that can ultimately prove costly. However, these are complemented by soft skill programmes so that our people also have the confidence, positive attitude, flexibility, communication and problem solving skills to become well-rounded individuals.

Barakah's training programmes have been designed to support the training needs of staff at every phase of their employment life cycle to ensure optimal job performance and career growth. A Personal Training Record for each employee is maintained by the Human Resource Department to keep track of the training provided for each employee. The training calendar for each year begins with a Training Needs Identification/Analysis ("TNI/TNA"), from which a Training Plan Matrix is drawn up. From the TNI/TNA, training courses are identified to match the Group's as well as employees' training requirements. The effectiveness of the training provided is then evaluated on a regular basis.

Working hard is a bedrock of success, but we also ensure that this is balanced with time set aside for social and recreational activities. We hold many sports and social activities to provide the opportunity for management and staff to get together in an informal and convivial setting. Away from the pressures of work, the sense of family is reinforced.

MARKETPLACE DEVELOPMENT

We demonstrate our commitment to the marketplace by striving to achieve high standards of transparency and accountability in our dealings with our various stakeholders, namely the community in which we operate, shareholders, clients and other stakeholders. In this respect we recognise the importance of communication as a tool to enhance our relationship with our audience, both internal and external. As part of our commitment to provide current, accurate and insightful information to shareholders and all other constituents, the electronic platform allows for easy access to vital information as well as the latest developments within the Group. Barakah's corporate website, accessible through *www.barakahpetroleum.com* allows clients, stakeholders and the public to seek organisational and corporate information and what we offer in terms of our products and services. To find out the latest developments affecting the Group, investors and interested parties can also access key announcements made to Bursa Malaysia via its website.

In the run-up to the listing of Barakah, we had organised a series of road-shows for the institutional funds and research analysts to generate awareness. The responses to our road-shows were mostly encouraging, with strong interest shown in the organic growth story of Barakah Group and its prospects.

Now that we have become a listed entity, the Annual General Meeting ("AGM") will be another platform which offers our shareholders the opportunity to raise questions and meet the key personnel of the Company. We encourage all shareholders to attend our AGM and participate in a meaningful manner so that any issues raised can be addressed. Our commitment to the marketplace is also demonstrated through our quality initiatives. Our objective is to provide quality service that will ensure clients' satisfaction and elevate the Company's effectiveness in contract and project management services to a higher level. To this end, the Group has put in place a Quality Management System ("QMS") to ensure that organisational, operational, commercial and technical activities of the Group are planned, managed and supervised to meet clients' expectations as well as fulfill contractual obligations. PBJV's QMS has also been accredited by Bureau Veritas Certification (Malaysia) Sdn Bhd to ISO 9001:2008 certification, which is an international reference for quality standards.

Our efforts to excel in all that we do have brought the Group its share of awards and recognition. We take pride in the fact that PBJV was named as one of the High Performing Bumiputera SMEs under a programme initiated by Unit Peneraju Agenda Bumiputera ("Teraju") and Performance Management and Delivery Unit ("PEMANDU") to develop the next generation of world-class Bumiputra entrepreneurs. The Group has also received certificates of appreciation from our clients for various accomplishments, an example from PETRONAS Carigali, for 100% achievement in the Peninsular Malaysia Operations Integrated Turnaround Project completed in May 2011 and Outstanding Vendor Award ("OVA") in recognition of outstanding performance in 2012.

A visit to the pediatric ward, HKL

Making a contribution to flood victims in Kemaman, Terengganu

We continually strive to ensure that high standards of corporate governance are upheld in line with the Malaysian Code on Corporate Governance 2012. Good corporate governance provides the framework for Barakah to achieve high standards of business integrity, ethics and professionalism as a fundamental part of discharging its responsibilities to protect and enhance shareholder value. The Board includes an optimal mix of independent Non-Executive Directors with the appropriate balance of skills, experience and expertise, laying solid foundations for overseeing and complementing management on the business operations and directions of Barakah. To assist the Board in discharging its responsibilities, we have also put in place a Risk Management Policy/ Framework that sets out the roles and responsibilities for managing risks, a system of internal controls and the key processes involved.

COMMUNITY DEVELOPMENT

Over the years, Barakah has had its share of blessings and as we grew and prospered, we have always shared our success by contributing towards the improvement of life in the community. We support many charitable events in the country by responding to many deserving causes and in the process, plant roots deep into the communities in which we operate thereby earning their trust and respect. More than simply writing a cheque, we strongly believe in a hands-on approach, adding a personal touch to our outreach programmes. We encourage the spirit of volunteerism among our employees and the giving of their time and money in support of the less fortunate.

Our community outreach programmes take many forms, but the central objective running though all our efforts is to reach out to the have-nots and the marginalised in society, bringing joy and planting the seeds of hope and possibility in those who may feel they have been forgotten. From bringing festive cheer to orphanages, visiting children in hospitals or improving the lives of single-parent families, Barakah is intent on making a difference.

As a newly-listed entity, we feel we can do much more. Rather than lending our support to miscellaneous charitable events and ad-hoc causes, we are continuously studying various options to further improve our community development work so that our contributions will have a more lasting impact on society.

Barakah continued to maintain a clean slate for its safety performance in FY 2013, achieving 1,267,962 total man-hours without Lost Time Incident.

HEALTH, SAFETY AND ENVIRONMENT

In our journey towards excellence, Barakah has always considered good Health, Safety and Environment ("HSE") practices to be an integral part of its business objectives in the oil & gas industry. Achieving a healthy and safe work environment is of utmost importance in striving for operational excellence. We consider it a responsibility that we owe to our employees, clients, stakeholders and society at large. In the past, the efforts and resources we have invested in this area have already earned the Group plaudits and recognition from big industry players such as PETRONAS and the PSCs.

In promoting a culture whereby all employees share a commitment to good HSE practice, Barakah Group's management has taken the lead in rolling out the Group HSE Policy on 1 November 2013, with the following key elements:

- Ensuring that legislative and statutory regulations for activities carried out in the Group's operations are complied with;
- Providing necessary resources and funding to ensure the health and safety of its personnel and protection of the environment;
- Ensuring that its subsidiaries and sub-contractors managed by the Group comply with its HSE guidelines and standards; and
- Minimising HSE risks to a level as low as reasonably practicable through a structured identification and assessment process.

The Group's HSE Policy is complemented by a Drug and Alcohol Policy, Stop Work Policy and Chemical Usage Policy, all of which were also unveiled on the same day. Our HSE plans and programmes are reviewed annually to ensure compliance with legislative and client requirements as well as OHSAS 18001:2007, an international specification for occupational health and safety management systems. We are also planning to obtain certification to ISO 14001:2004 sometime in the next financial year. In the meantime, we have conducted several campaigns to create awareness among our employees and sub-contractors. ISO 14001:2004 is a management tool that formally addresses various aspects of environmental management.

The Group continued to maintain a clean slate for its safety performance in FY 2013, achieving 1,267,962 total man-hours without LTI. On the environmental front, the Group has been taking proactive steps to mitigate the ecological footprints of its operations. This is not only an ethical duty, but as a global citizen, Barakah Group works hard to ensure that the benefits of its activities are not negated by its adverse effects on the environment.

awards & achievements

KEY AWARDS

- **PETRONAS CARIGALI SDN. BHD. OUTSTANDING VENDOR AWARD ("OVA") 2012**
  - In Recognition of Outstanding Performance Throughout 2011
- **PETRONAS CARIGALI SDN. BHD. AWARD 2011**
  - 100% Achievement in PMO Integrated Turnaround
- **PETRONAS BEST KPI ACHIEVER AWARD 2009**
  - PETRONAS VDP 2008/2009
- **PETRONAS CARIGALI SDN. BHD. HSE AWARD 2009**
  - PCSB/SKO Contractors Management Engagement Session
- **PETRONAS CARIGALI SDN. BHD. HSE AWARD 2008**
  - Outstanding HSE Performance
- **PETRONAS CARIGALI SBN. BHD. HSE ACHIEVEMENT AWARD 2008**
  - Contribution in HSE Achievement 1.5 Million Man-Hours Worked Without LTI
- **PETRONAS CARIGALI SDN. BHD. HSE MERIT AWARD 2007/08**
  - HSE Performance Category
- **PETRONAS CARIGALI SDN. BHD. AWARD**
  - Contribution to the successful completion of the West Lutong Pipeline Replacement
  - Onshore pipeline at Miri Crude Oil Terminal Zero LTI November 2006 – March 2007

CERTIFICATES AND MEMBERSHIP

BUREAU VERITAS ISO 9001:2008 (CERTIFICATE NO: Q209133)

- Provision of Offshore Structure and Pipeline Installation for the Oil & Gas Industry
- Provision of Pipeline Services, Pre-commissioning, Commissioning and De-commissioning
- Onshore Fabrication and Construction of Oil & Gas and Petrochemical Facilities

INTERNATIONA MARINE CONSTRACTORS ASSOCIATION (“IMCA”)

- Contractor Member – Marine and Remote Systems & ROV Divisions

BUREAU VERITAS OHSAS 18001:2007 (CERTIFICATE NO: OHS000177)

- Provision of Offshore Structure and Pipeline Installation for the Oil & Gas Industry
- Provision of Pipeline Services: Pre-commissioning, Commissioning and De-commissioning
- Onshore Fabrication and Construction for Oil & Gas and Petrochemicals Facilities

22 – 24 December 2012

ANNUAL DINNER & FAMILY DAY 2012
COLMAR TROPICALE

5 April 2013

BADMINTON TOURNAMENT
SUNSURIA SPORTS PLANET

23 May 2013

BOWLING TOURNAMENT
U-BOWL, 1UTAMA

22 – 24 February 2013

4 X 4 RAINFOREST EXPEDITION 2013
TANJUNG KERLING, KUALA KUBU BARU

19 July 2013

MENGUKIR SENYUMAN RAMADHAN
VISIT TO PEDIATRIC WARD OF
HOSPITAL KUALA LUMPUR

22 March 2013

TREASURE HUNT
FRIM

31 August 2013

MERDEKA RAYA WITH ORPHANS
& MAKAN BUAH
BARAKAH HEAD OFFICE

calendar of events 2012/13

14 September 2013

TRADE EXHIBITION
UITM SHAH ALAM

15 – 17 November 2013

MANAGEMENT TEAM BUILDING
CLUB MED CHERATING

8 October 2013

PRESS CONFERENCE – IN CONJUNCTION WITH THE ABRIDGED PROSPECTUS AND PROPOSED LISTING ON BURSA MALAYSIA
DOUBLE TREE BY HILTON, KUALA LUMPUR

10 December 2013

INTEGRATED TRANSPORTATION & INSTALLATION OF OFFSHORE FACILITIES 2014-2016 KICK-OFF MEETING
MANDARIN ORIENTAL
KUALA LUMPUR

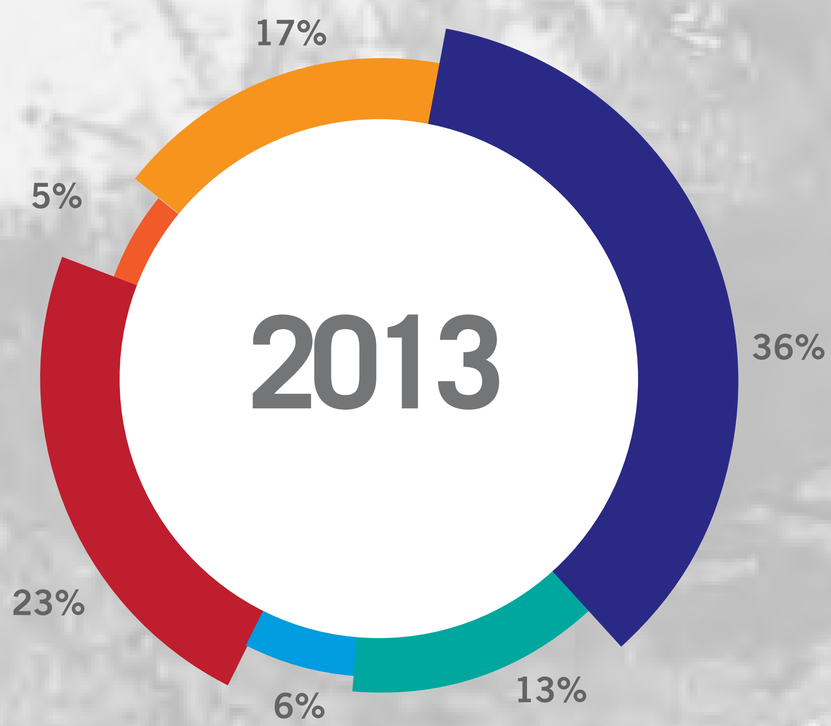
6 November 2013

LISTING DAY
BURSA MALAYSIA

28 December 2013

ANNUAL DINNER
ONE WORLD HOTEL
PETALING JAYA

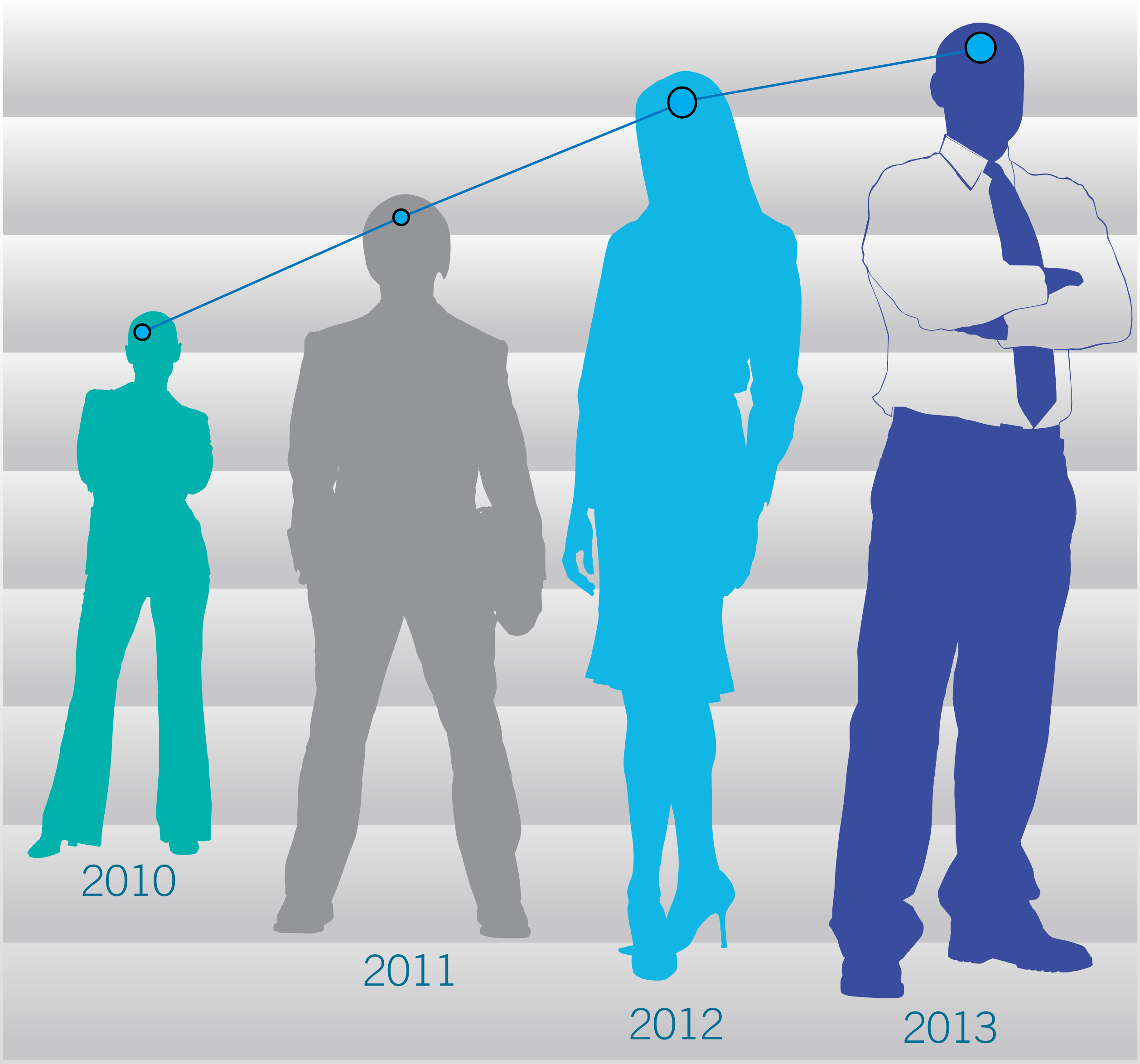
human resource



Distribution of Qualifications

	No. of Staff	%
Technical Degree	92	36
Technical Diploma	35	13
Technical Certificate	16	6
Non-Technical Degree	43	17
Non-Technical Diploma	14	5
Non-Technical Certificate	61	23
Total Staff *	**261**	**100**

** Figures as at 30 September 2013*

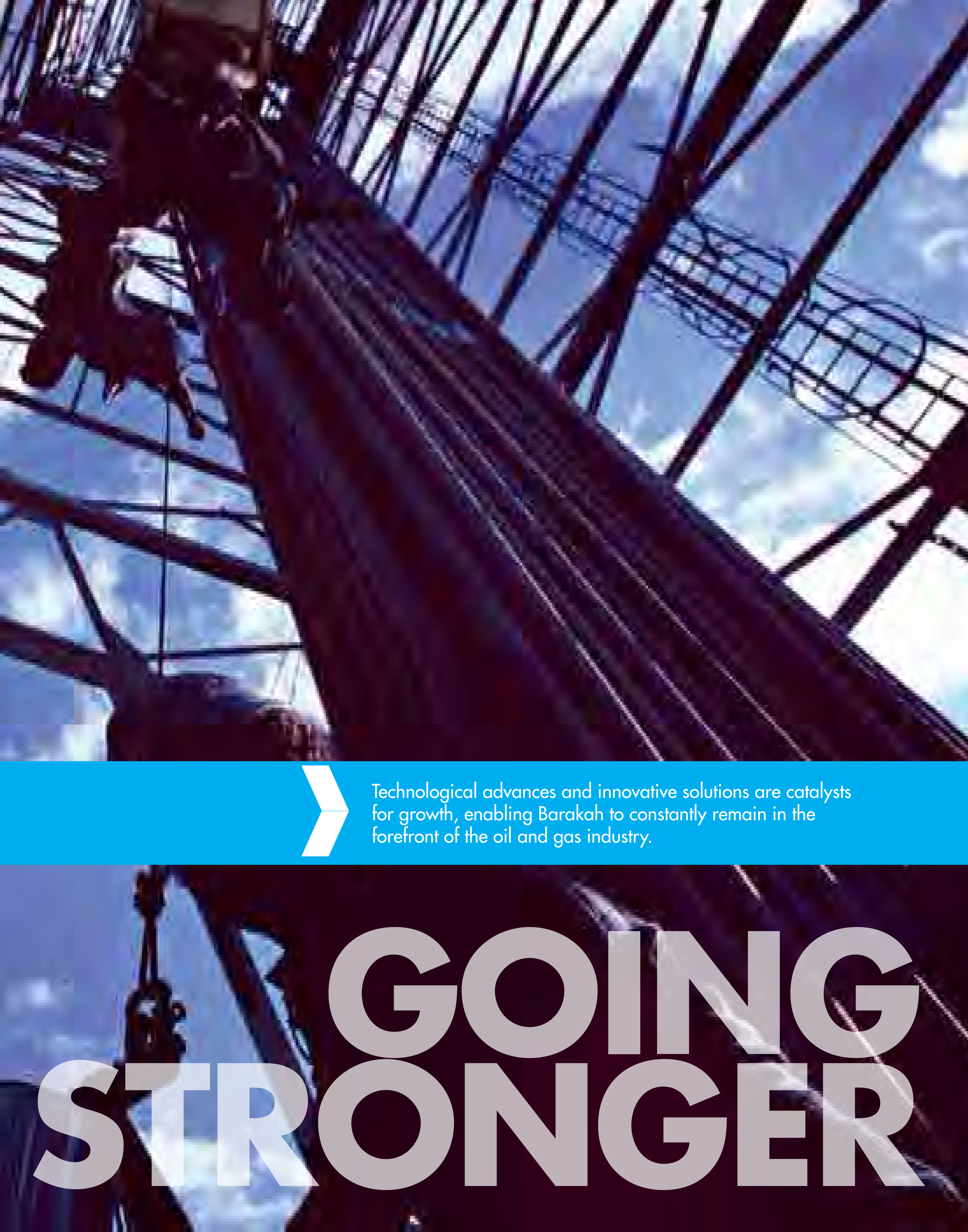


Employee Headcount Growth

2010	120
2011	147
2012	213
2013	261

Note: Figures as at 30 September

Our Commitment Is Our Strength



Technological advances and innovative solutions are catalysts for growth, enabling Barakah to constantly remain in the forefront of the oil and gas industry.

GOING STRONGER

corporate governance statement

The Board of Directors ("Board") of Barakah Offshore Petroleum Berhad ("Barakah" or "Company") and its subsidiary companies (collectively referred to as "Barakah Group" or "Group") recognises the importance of practicing the highest standard of corporate governance in protecting and enhancing shareholders' value. On this note, the Board has been actively introducing refined policies and procedures and improving the Group's processes, controls and systems to move towards complying with the Main Market Listing Requirements ("MMLR"). The Board will also continuously review and where appropriate, take steps to adopt the principles and recommendations on corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("Code"). The Board is pleased to present this statement on how the principles set out in the Code have been applied during the financial year ended 30 September 2013.

ESTABLISHING ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board is overall accountable to shareholders and other stakeholders for the performance and affairs of the Group. This accountability is formally documented through the Board Charter and Limits of Authority ("LOA") approved by the Board on 23 October 2013. The Board Charter governs the Board in its conduct of the overall business affairs and operations while the LOA clearly specifies relevant matters reserved for the Board's approval and of those delegated to the Board Committees, President & Chief Executive ("PCE") and management. The Board Charter and LOA will be reviewed annually as and when required to ensure the needs of the Company are consistently met.

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR"). At each Board meeting, minutes of Board Committee meetings are presented to keep the Board informed. The Chairmen of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Board reviews and adopts strategic business plans for the Group annually. The Board also regularly reviews the operational and financial reports which are tabled at the Board meetings held at a minimum every quarter to ensure that the Group is in line to meet its targets set out in the business plan.

The Board has also approved the Succession Planning Policy on 23 October 2013 to ensure a programme is in place for the orderly succession of senior management that involves the development of skills and abilities for the betterment of their current and future competencies. Succession planning helps to avoid hasty promotion of individuals who may be unsuitable or not ready for the position.

The Board also put in place on 23 October 2013 its Corporate Disclosure Policy to emphasise the importance of the development and implementation of a shareholder communications policy for the Group.

The Board is ultimately responsible for adequacy and integrity of the internal control system of the Group. In ensuring principal risks are adequately identified and appropriate internal controls and mitigation measures are implemented by the management, the Board approved the Risk Management Policy /Framework for the Group on 23 October 2013. The Board reviews the internal control system as set out in the Statement on Risk Management and Internal Control of this Annual Report on pages 72 and 73.

The Board exercises due diligence and care in discharging its duties and responsibilities to ensure high ethical standards and conduct are applied through compliance with relevant rules, regulations, directions and guidelines. The Board also supports and encourages policies within the Group which require the Board and its employees to observe the highest standards of ethical behaviour and to instil honesty and personal integrity in their dealings. Barakah has incorporated ethical values through the following policies which were approved on 23 October 2013:

- Code of Ethics and Conduct Policy;
- Whistle-blowing Policy; and
- Insider Dealing Policy.

The above policies promote appropriate communication and feedback channels, including those that facilitate whistle-blowing. These policies also encourage every person in the Group to act in the best interest of the Group, safeguarding confidentiality, compliance with the relevant laws and regulations, safety provisions and avoiding any conflict of interest or duties. These policies will be reviewed annually and as and when required.

With the objective of safeguarding our shareholders' investments and enhancing their value, the Board commits to contribute to the betterment of Barakah's overall performance by ensuring good corporate governance throughout the Group by displaying integrity, accountability and transparency in all aspects of its dealings.

Barakah also has approved and adopted its Sustainability Policy on 23 October 2013 that establishes clear objectives for sustainability within the Group. The Board provides strategic guidance and oversight of management which includes reviewing and approving the Group's sustainability strategy and ensuring transparent sustainability reporting. The sustainability policy encompasses the growing need for businesses to do their part in addressing the expectations of society with regards to ESG initiatives. The Sustainability Policy adopted by Barakah covers four common areas, namely: marketplace, workplace, community, and environment. Further information on the implementation of the ESG can be found in the Corporate Social Responsibility report on pages 50 to 53.

Every member of the Board has full, timely and unrestricted access to all information pertaining to the Group's business affairs to enable them to discharge their duties effectively. The Board also has access to independent professional advice if necessary in terms of legal, financial, governance and expert advice, at the Company's expense. This is clearly defined in the Board Charter.

The Board is satisfied with the performance and support rendered by the qualified Company Secretaries to the Board in the discharge of its functions. The Company Secretaries have been advising the Board on issues relating to compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group as well as best practices of governance. They have advised the Board of their obligations and duties to disclose their interests in securities, any conflict of interest in any transaction involving the Group, prohibition in dealing in securities and restriction on disclosure of price sensitive information.

The Board Charter provides guidance and reference to the Board in line with the principles of good corporate governance. The Board Charter outlines among others: the division of powers, roles and responsibilities of the Board, its key values, the Board's authorities, processes and procedures for convening Board's meetings. The Board Charter and its other supporting policies will be reviewed periodically to ensure their effectiveness and relevance. The full details of the Board Charter can be found on the Company's official website.

STRENGTH COMPOSITION

The Board had established a Nomination and Remuneration Committee ("NRC") which consists of three independent non-executive directors:

- Sulaiman Ibrahim, Chairman of NRC and Senior Independent Non-Executive Director;
- Abd. Hamid Ibrahim, NRC member; and
- Nurhilwani Mohamad Asnawi, NRC member.

The Board appointed Sulaiman Ibrahim as the Senior Independent Non-Executive Director on 12 December 2013.

The role of the NRC is to assist the Board in ensuring that the Group recruits, retains, trains, and develops the best available executive and non-executive directors and manages the Board's composition effectively. The NRC conducts detailed review to determine whether a director can continue to be independent in character and judgement, and also to take into account the need for progressive refreshing of the Board at the conclusion of a specific term of office. The NRC makes recommendations on the remuneration for the Directors and the top management. The NRC also reviews and recommends the annual bonus pool for all employees of the Group. Details of the Terms of Reference of NRC can be found on the Company's official website.

In determining the candidates for appointment to the Board Committees, various factors were considered, including time commitment of the Board Committee members in discharging their roles and responsibilities through their attendance at their respective meetings. There was only one meeting held during the financial year ended 30 September 2013 which was prior to the Company's listing on 6 November 2013. The attendance of the respective Directors in respect of Board meetings held during the FY 2013 is set out below:

Board Members	Classification	BOD	ARMC	NRC
Abd. Hamid Ibrahim	Independent, Non-Executive	Chairman 1/1	1/1	1/1
Nik Hamdan Daud	Non Independent Executive	Deputy Chairman 1/1	–	–
Sulaiman Ibrahim	Senior Independent, Non-Executive	0/1	1/1	Chairman 1/1
Datuk Azizan Hj Abd Rahman	Independent, Non-Executive	1/1	Chairman 1/1	–
Azman Shah Mohd Zakaria	Non Independent Executive	1/1	–	–
Rasdee Abdullah	Non Independent Executive	1/1	–	–
Nurhilwani Mohamad Asnawi	Independent, Non-Executive	1/1	–	1/1
Total number of meetings in the financial year		1	1	1

Pursuant to the MMLR, exception for Sulaiman Ibrahim due to medical reason, all Directors have complied with the requirement of at least 50% attendance at Board meetings as there was only one meeting held in the financial year.

Barakah had established a formal and transparent procedure for the appointment of new Directors to the Board. The Board had approved its Directors' Assessment and Remuneration Policy on 23 October 2013 that established a clear evaluation of the Board's competencies that brings the right mix of skill and knowledge towards the contribution of the Group's value and success.

All nominees for directors are first considered by the NRC taking into consideration the required mix of skills, competencies, experience and other qualities required before they are recommended to the Board for consideration and approval.

The NRC is also responsible for assessing the suitability of Directors on an ongoing basis. The NRC has conducted various assessments for FY 2013, including: the Directors'/Key Officers' Evaluation Form - Exhibit 9 of the Corporate Governance Guide, 2nd Edition ("CGG") and Board Skills Matrix Form - Exhibit 10 of the CGG, Board and Board Committee Evaluation Form - Exhibit 11 of the CGG, to ensure the requirements of the committees are addressed.

In accordance to Article 86 of the Articles of Association ("AA") of Barakah, at least one-third of the directors, if their number is not three (3) or a multiple of three (3) then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election at every AGM. The Board approved the recommendation of NRC for the two (2) directors to retire in the second AGM in accordance to Article 86 of the AA. The directors are Sulaiman Ibrahim and Nurhilwani Mohamad Asnawi. In accordance to Article 92 of the AA the retiring director is Datuk Azizan Abd Rahman. The Board has approved the NRC's recommendation to support the reappointment of all the said directors in the coming AGM.

Induction programmes were conducted for all newly appointed directors which comprised briefings by management to provide the Directors with the necessary information to assist them in understanding the operations of the Group, business strategies, and management structure.

All Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as required by the MMLR. The Company provides a training budget for the continuing development of the Board members. This allows them to keep abreast of various issues pertaining to the constantly changing environment within which the Group operates, including the areas of corporate governance and regulatory compliance.

With its diversity of skills and professions, the Board has been able to provide effective collective leadership to the Group and has brought informed and independent judgment to the Group's action plans and strategies to ensure that high standards of conduct and integrity are practiced at Barakah. The skills and experience of the members of the Board encompass a diverse professional background bringing diversity and depth in experience, expertise and perspective to Barakah's operations and ultimately the long term enhancement of shareholders' value.

Although Barakah does not have a gender diversity policy in the Board composition, currently Barakah does have one lady director out of a total of 7 directors on the Board.

The Board through NRC's recommendations has reviewed annually the performance of the Executive Directors as a prelude to determining their fair annual remuneration, bonus and other benefits. NRC has evaluated their performance against the objectives set by the Board thereby aligning their remuneration to performance, business strategy and long term objectives.

The remuneration of the Non-Executive Directors is determined by the Board. The level of Non-Executive Directors remuneration is competitive in order to attract and retain Directors of such calibre and to provide the necessary skills and experience as required. Their remuneration comprises annual fees that reflect their expected roles and responsibilities. In addition the Non-Executive members of the Board and Board Committees are paid meeting allowances for each meeting they attended. The Directors' fees will be tabled for the shareholders' approval at the upcoming second AGM of the Company.

The Executive Directors' basic salaries and benefits-in-kind/emoluments are fixed for the duration of their employment terms. Any revision to the basic salaries and benefits-in-kind/emoluments will be reviewed and recommended by NRC and approved by the Board, taking into consideration individual performance, Company's performance and other relevant factors. The Executive Directors are not entitled to Directors' fees and meeting allowances.

In addition to the above, any bonus payment to employees including the Executive Directors is reviewed and recommended by the NRC and approved by the Board.

Details of Board remuneration for the FY2103 are as follows:

Non-Executive Directors	RM
- Fees	380,385
- Other emoluments	44,356
- Benefits in kind	–
Executive Directors*	**RM**
- Salary	1,090,500
- Other emoluments^	1,590,991
- Benefits in kind	37,094

Notes:-

* *The salaries, other emoluments, benefits in kind of Executive Directors are paid by PBJV for the FY 2013.*

^ *Other emoluments include bonuses, fees, defined contribution plan and SOCSO.*

The remuneration bands for the Directors are as follows:

Remuneration band	Number of directors
Non-Executive Directors	
RM1 to RM50,000	1
RM50,001 to RM100,000	2
RM200,001 to RM250,000	1
Executive Directors**	
RM350,001 to RM400,000	1
RM650,001 to RM700,000	1
RM1,650,001 to RM1,700,000	1

Note:-

** *Total remuneration was paid to Executive Directors by the PBJV for the FY 2013.*

REINFORCED INDEPENDENCE

The Board undertook an assessment of its Independent Directors. The Board has adopted the Independent Directors' Self-Assessment Checklist -Exhibit 8 of the Corporate Governance Guide, 2nd Edition for the annual assessment. The Board is satisfied with the level of independence demonstrated by all the Non-Executive Directors and their abilities to act in the best interest of the Company. They had satisfactorily demonstrated that they are independent of management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interest of the Company. The Board therefore recommends and supports their proposed re-appointment.

As the Group is a newly listed company, none of the Independent Directors' tenures had exceeded the cumulative term of nine years and also none of the Directors are over the age of 70 years who are required to submit themselves for reappointment annually in accordance with Section 129(6) of the Companies Act 1965.

The Board highly appreciates the distinct and separate roles and responsibilities of the Chairman of the Board, Executive Committee ("EXCO") and PCE that eventually promote accountability. The distinct and separate roles of the Chairman, EXCO and PCE with a clear division of responsibilities ensure a balance of power and authority such that no one individual has unfettered powers of decision making. Each of their roles had been identified in the Board Charter and LOA.

The Chairman of the Board holds a non-executive function and takes a leadership role in over seeing of management and chairs the Board meetings and functions. The EXCO and PCE on the other hand have overall management responsibilities of the Group's operations and implementation of Board policies, directives, strategies and decisions. They report and discuss at the Board Meetings all material matters currently or potentially affecting Barakah and its performance. In addition three (3) of the EXCO members, by virtue of their positions as Board Members, also function as the intermediary between the Board and the Management.

The Board is made up of a majority of Independent Directors which include three (3) Executive Directors and four (4) Independent Non-Executive Directors. The Chairman is also an Independent Non-Executive Director.

FOSTER COMMITMENT

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Board meetings are scheduled in advance and an annual meeting calendar that provides the scheduled dates for meetings of the Board and Board Committees, the AGM and the targeted dates of announcements of the Group's quarterly results are prepared and circulated to the Directors before the beginning of the calendar year. This enables the Directors to plan and accommodate the year's meetings into their schedules so that all members could devote their time to discharge their duties effectively.

The Board emphasises the importance of continuing education for its Directors to ensure that they are equipped with the necessary skills and knowledge to meet business challenges and enjoy life-long learning. The Company provides a training budget for the continuing development of the Board members and employees.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates at Board meetings. The External Auditors also briefed the Board members on any change(s) to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board, assisted by the ARMC, reviews the financial statements to ensure that the Group's financial statements are prepared in accordance with the provisions of the Companies Act 1965 and the applicable approved Financial Reporting Standards. The statement of Directors' Responsibility in relation to the Financial Statements is presented in the appropriate section of this Annual Report.

The ARMC reviewed all financial reports prepared by the management prior to submission to the Board for deliberation and approval. The external auditor and CFO provide assurance to the ARMC that appropriate accounting policies had been adopted and applied consistently and the relevant financial statements gave a true and fair view of the state of affairs of the Group in compliance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards as part of the Group's annual financial reports.

In addition to the above, the Chief Internal Auditor undertook the reasonableness test on the quarterly financial report and assured the ARMC that no material issues or major deficiency had been detected.

ARMC has also adopted the Assessment of External Auditor Performance and Independence Checklist - Exhibit 14 of the Corporate Governance Guide, 2nd Edition for assessment of suitability and independence of an external auditor. This assessment was conducted in January 2014. The ARMC had one private meeting with the external auditors in 2013 and the external auditors had confirmed its independence in writing to the ARMC throughout the conduct of audit engagement in accordance to the terms of all relevant professional and regulatory requirements. The ARMC was satisfied with Messrs Crowe Horwath's technical competency and audit independence.

RECOGNISE AND MANAGE RISKS

The ARMC oversees the Risk Management Policy/Framework of the Group. To assist the ARMC, a management working group in the form of the Risk Management Steering Committee was established to coordinate the identification, monitoring and mitigation of the risk profiles of the Group while the ARMC continues to maintain and review its overall internal control system to ensure as far as possible the protection of its assets and its shareholders' investments.

The internal audit function has been established within the Group in July 2013 and is led by the Chief Internal Auditor who reports directly to the ARMC. Its Internal Audit Charter had been approved by the Board on 23 October 2013. The scope of Internal Audit covers review of governance, risk management and internal control. The Internal Audit function embraces the International Professional Practice Framework for Internal Auditors in the audit works.

Details of the Group's internal control system and framework are stated in the Statement of Risk Management and Internal Control set out on pages 72 and 73.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Group has in place its Corporate Disclosure Policy approved by the Board on 23 October 2013 which is in line with the MMLR to enhance corporate disclosure requirements and material information and to ensure it is accurately and timely announced to the public.

The Group is committed to ensure a high standard of communications in a timely manner to the stakeholders, institutional investors and the investing public at large. Barakah's corporate website at *www.barakahpetroleum.com* provides quick access to information about the Group. The information on the website includes the Group's corporate profile, Board profiles, announcement to Bursa Malaysia, press releases, share information, financial results, annual report, corporate governance and corporate news. The website is regularly updated to provide current and comprehensive information on Barakah. This allows all shareholders and investors to gain access to information about the Group.

STRENGTHENING THE RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Board encourages direct engagement with shareholders as it provides a better appreciation of the Group's objectives, quality of its management, and challenges while making the Group aware of the expectations and concerns of the shareholders.

The general meetings are the principal avenue for shareholders to communicate and engage in dialogue with the Board and management of Barakah. The highlights of the Group's operations and financial performance will be presented directly by the management to the shareholders. Shareholders are given the opportunity to raise questions on issues pertaining to the Group's operational and financial performance. The shareholders can exercise their voting rights and the meeting is convened in strict compliance with the laws and procedures of a general meeting. The first AGM after listing will be held on 19 March 2014 and detailed information of this meeting can be found in the notice of general meeting.

The Board will adopt electronic voting to facilitate greater shareholder participation at upcoming general meetings and to ensure accurate and efficient outcome of the voting process.

COMPLIANCE STATEMENT

The Board is satisfied that in 2013 the Group has complied with the principles and recommendations as mentioned in the Code.

This corporate governance statement is made in accordance with the resolution of the Board dated 10 February 2014.

audit and risk management committee report

The Audit and Risk Management Committee ("ARMC") was set up on 4 June 2013. The attendance records of ARMC members at the ARMC meeting during the financial year ended 2013 are as follows:

Datuk Azizan Haji Abd Rahman 1/1
ARMC Chairman
Independent Non-Executive Director

Abd. Hamid Ibrahim 1/1
ARMC Member
Independent Non-Executive Chairman

Sulaiman Ibrahim 1/1
ARMC Member
Senior Independent Non-Executive Director

TERMS OF REFERENCE ("TOR")

The TOR of ARMC is prepared and adopted by the Board based on the MMLR and the Malaysian Code on Corporate Governance 2012.

1. PURPOSE

The ARMC is established as a committee of the Board in providing assistance to the Board in fulfilling its statutory and fiduciary responsibilities for the audit and risk management activities of Barakah Group. Consistent with this function, the Committee shall encourage continuous adherence and improvement to the Group's Audit and Risk Management policy, procedures and practices as well as the applicable laws and regulations.

The Committee is expected to ensure that the financial reports and processes are presented in a true and fair view for the Board's deliberation, assessment and approval. It is also expected to review the Group's enterprise risk management and internal controls instituted in the achievement of the Group's objectives.

The Internal Audit Department reports directly to the ARMC and its functions shall be independent of the activities it audits and that the internal audit activities shall be free from interference in determining the scope of internal audit, performing the audit and communicating the audit results.

2. COMPOSITION OF ARMC

The following requirements are to be fulfilled by the Board in respect of the appointment of the ARMC from among its members:

i. The ARMC shall be composed of no fewer than three (3) members, the majority of whom shall be Independent Non-Executive Directors.

ii. The Chairman of the ARMC shall be appointed by the Board from among the Independent Non-Executive Directors; and

iii. At least one member of the ARMC
   a. Must be a member of the Malaysian Institute of Accountants ("MIA"); or
   b. If he is not a member of MIA, he must have at least three (3) years' working experience and;
      - must have passed the examination specified in Part I of the First Schedule of the Accountants Act, 1967; or
      - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Acts, 1967; or
   c. Fulfils such other requirement as prescribed or approved by Bursa Malaysia.

iv. An Alternate Director shall not be appointed as a member of the ARMC;

v. Subject to any regulatory disqualification, or provision in the Companies Act or removal of directors, members of the ARMC shall not be removed except by the Board; and

vi. In the event of any vacancy in the ARMC, the Board shall within three (3) months fill the same so as to comply with all regulatory requirements. In any event the Board shall review the term of office and performance of the ARMC and each of its members at least once every three (3) years.

3. AUTHORITY

The ARMC is authorised by the Board to conduct any activities within its terms of reference. It is authorised to seek any information it requires from any employees and it has unlimited access to all the Company's and its subsidiary and associate companies' records and information.

The ARMC is authorised by the Board whenever necessary to seek external legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise.

4. ROLES AND RESPONSIBILITIES OF COMMITTEE

The ARMC shall assume six fundamental responsibilities, primarily:-

i. Overseeing the financial reporting:
   a. Reviewing the quarterly results and annual financial statements, prior to the approval by the Board, focusing on:
      - changes in or implementation of major accounting policies;
      - significant or unusual events;
      - the going concern assumptions;
      - compliance with accounting standards and other legal requirements;

ii. Reviewing the Statement on Corporate Governance, ARMC Report and Statement of Internal Control.

iii. Assessing the risk and control environment:
   a. Determining that the Group has adequate administrative, operational and internal accounting controls and that the Group is operating in accordance with its prescribed procedures, codes of conduct and applicable legal and regulatory requirements;
   b. Reviewing the Group's enterprise risk management framework, policy and risk registers and internal controls instituted for the achievement of Group's objectives. (This shall include reviewing the establishment of an appropriate overall internal control framework including financial information systems, and potential enhancement);
   c. Overseeing that the procedures are in place to ensure that the Group is in compliance with the Companies Act 1965, MMLR, Capital Market and Securities Act 2007 and other legislative and reporting requirements;

iv. Evaluating the internal and external audit process;
   a. Ensuring that the Internal Audit Charter is properly in place so as to have an independent standing in the Group for its terms of reference and functions;
   b. Providing directions and overseeing the internal auditors and the external auditors so as to enhance their independence from management;
   c. Reviewing the adequacy of the scope, functions, competency and resources of the Internal Audit department and that it has the necessary authority to carry out its work;
   d. Reviewing the scope of audit and the audit plan of the external auditors and the internal auditors, including any changes in the scope of the audit plan and to ensure the smooth coordination between internal auditor and external auditor;
   e. Recommending and reviewing the nomination, appointment, fees, resignation, dismissal and performance of the external auditors before making recommendations to the Board;
   f. Reviewing the external and internal audit reports to ensure that where major deficiencies in controls or procedures have been identified, appropriate and prompt actions is taken by management. The ARMC shall be required to provide assistance towards any difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information, or investigation reports on any major misappropriation and fraud within the Group;
   g. Reviewing the significant/major audit findings during the interim and final audit in the year with external auditors and management's responses including the status of the previous audit recommendations;
   h. Reviewing with the external auditors, their evaluation of the system of internal control; and
   i. Reviewing the assistance given by the staff to the external auditors.

v. Reviewing the related party transactions and any conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

vi. Performing any other activities consistent with the terms of reference, as the Committee or the Board deem necessary or appropriate.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR, the ARMC shall promptly report such matters to Bursa Malaysia.

5. RIGHTS OF ARMC

The ARMC shall, wherever necessary and reasonable, for the performance of its duties and in accordance with the procedures determined by the Board and at the cost of the Group:

a. Have authority to investigate any matter within its terms of reference;
b. Have the resources which are required to perform its duties;
c. Have full and unrestricted access to any information pertaining to the Group;
d. Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
e. Be able to obtain independent professional advice or other advice; and
f. Be able to convene meetings with the external auditors, the internal auditors or both, without the attendance of other directors and employees of the Group, whenever deemed necessary.

6. QUORUM AND MEETINGS

The quorum for a meeting shall be any two (2) members where at least one shall be an independent director.

The ARMC shall meet a minimum of 4 times in a financial year or as frequently as the Chairman shall decide and it shall be able to convene meetings with the external auditors, the internal auditors, or both, which may be without the attendance of the Executive Directors and employees of the Group, whenever deemed necessary.

The ARMC shall meet at a minimum of twice in a financial year and may discuss with the external auditors without the presence of the Executive Directors or management.

The ARMC meeting shall be attended by its members and the Company Secretary/ies. Other Directors, members of the management, employees, and representatives of the internal and external auditors shall attend the meeting only by invitation of the ARMC.

Upon request of the external auditors, the Chairman of the ARMC shall convene a meeting of the ARMC to consider any matter the external auditors believe should be brought to the attention of the directors and/or shareholders.

7. REVIEW OF TERMS OF REFERENCE

The ARMC's TOR may be reviewed by the Board annually or whenever necessary to ensure its relevance in assisting the Board to discharge its duties with any changes in the laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.

8. SUMMARY OF ACTIVITIES

During the year, the ARMC has carried out its duties in accordance to its TOR. The main activities carried out by the ARMC are summarised as follows:

- Reviewed and proposed to the Board the TOR for the Audit and Risk Management Committee
- Reviewed and proposed to the Board for approval the following policies:
    - Risk Management Policy/Framework,
    - Related Party Transactions Policy,
    - Insider Dealing Policy, and
    - Whistle Blowing Policy
- Reviewed and deliberated quarterly results and Audited Financial Statements of the Group for FY 2013
- Reviewed and approved the appointment of Chief Internal Auditor
- Reviewed the Recurrent Related Party Transactions for FY 2013
- Verified the Employees' Share Option Scheme allocation for FY 2013
- Reviewed and deliberated the following reports to be included in the Annual Report:
    - Audit and Risk Management Committee Report,
    - Statement on Risk Management and Internal Control,
    - Statement on Corporate Governance,
    - Statement of Directors' Responsibility, and
    - Additional Compliance Information
- Held one private meeting with external auditors

9. STATEMENT OF VERIFICATION ON ALLOCATION OF OPTIONS PURSUANT TO EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Audit and Risk Management Committee has verified the allocation of options pursuant to the ESOS for the FY 2013 and noted its compliance with the criteria for the allocation of options in accordance with the By-Laws of the Barakah Group's ESOS.

The ARMC Report is made in accordance with the resolution of the Board dated 10 February 2014.

statement on internal audit

The Internal Audit department ("IAD") is an integral part of the assurance structure of Barakah Group. The IAD provides independent, objective assurance and consultancy services designed to add value and improve the Group's operations. IAD implements a systematic approach to evaluate and improve the effectiveness of the Group's risk management, internal control and governance processes.

The IAD, an in-house function, was set up in July 2013 and the Chief Internal Auditor ("CIA") joined Barakah on 21 October 2013 (after the financial year ended). In order to preserve its independence, the CIA functionally reports to the ARMC Chairman and administratively to the PCE.

The IAD adopts a risk-based audit methodology to ensure that the relevant controls addressing the Group's key risks are reviewed on a rotational basis. The purpose, authority, responsibility and independence are clearly articulated in the Internal Audit Charter. This Charter was prepared in line with MMLR, Malaysian Code on Corporate Governance 2012 and the Institute of Internal Auditors' International Professional Practices Framework. This Charter has been reviewed by ARMC and approved by the Board on 26 November 2013;

The Internal Audit plan for the current financial year, human resource requirements and key performance indicators for IAD were also reviewed by ARMC and subsequently approved by the Board on 26 November 2013.

This statement is made in accordance with the resolution of the Board dated 10 February 2014.

statement on risk management and internal control

RESPONSIBILITY AND ACCOUNTABILITY

In relation to risk management and internal control, pursuant to the requirement under the Malaysian Code on Corporate Governance 2012 ("Code") for companies listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Board acknowledges their responsibilities under the MMLR of Bursa Malaysia for:

- Reviewing the risk management framework, processes and responsibilities in order to provide reasonable assurance that risks are managed within tolerable ranges and embed risk management in all aspects of business operations and activities by identifying principal risks and ensuring implementation of appropriate control measures to manage those risks.
- Reviewing the adequacy and integrity of the risk management and internal control systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Establishing the policies and procedures in the Group in order to ensure the adequacy and effectiveness of the risk management and internal control systems. The Board oversees its roles and responsibilities towards promoting that environment within all aspects of the Group's activities.

The management of Barakah is accountable to provide assurance to the Board that the risk management and internal control systems are implemented as mentioned in this statement. The Board has received assurance from the PCE and Chief Financial Officer that the risk management framework and processes and also the internal control system are operating adequately and effectively as intended.

RISK MANAGEMENT FRAMEWORK

The risk management framework was established and approved by the Board on 23 October 2013 (after the financial year ended). The framework defined the risk management policy of the Group and risk management process including the reporting structure to the Board.

The Board has delegated the oversight role of risk management and internal control to the Audit and Risk Management Committee and implementer role to the Risk Management Steering Committee ("RMSC"). The primary role of RMSC is to facilitate the implementation of the risk management framework within the Group. The RMSC is headed by the PCE of Barakah. The members comprise of Heads of Divisions and Departments.

Periodically, the RMSC will table the risk profile to the EXCO, ARMC and Board.

KEY INTERNAL CONTROL PROCESSES

The Group's internal control system encompasses the following key processes:

Authority and Responsibility

1. Clear responsibilities have been delegated to the Board Committees through clearly defined Terms of Reference ("TOR") of the relevant committees and Limits of Authority ("LOA") which were approved on 23 October 2013. The LOA also encompasses delegation of authority not only to the Board Committees but also to the management. The delegation was based on the roles and responsibilities of individuals or committees.
2. The Board has established four (4) Board Committees to support the board functions. The committees are the ARMC, NRC, ESOS Committee and EXCO. The detailed TOR of each committee can be found at our corporate website at www.barakahpetroleum.com.

Barakah was successfully listed on Bursa Malaysia after completing the reverse takeover of Vastalux Energy Berhad on 6 November 2013. The Statement on Risk Management and Internal Control was prepared based on activities and processes prior to the listing. Further improvements on risk management and internal controls are in the pipeline.

Policies and Procedures

1. Formalised and documented internal policies are in place to ensure compliance to the MMLR and the Code. The Board has approved the following policies on 23 October 2013:

    a. Whistle Blowing Policy
    b. Related Party Transaction Policy
    c. Risk Management Policy/Framework
    d. Insider Dealing Policy
    e. Code of Ethics and Conduct Policy
    f. Corporate Disclosure Policy
    g. Sustainability Policy
    h. Directors' Assessment and Remuneration Policy
    i. Succession Planning Policy

2. PBJV is certified to the ISO 9001:2008 Quality Management System since May 2009. PBJV also is OHSAS 18001:2007 Occupational Health and Safety Management System certified since December 2009. This demonstrates that the Group has been embracing international standards in its operations, documentation and occupational safety and health matters.

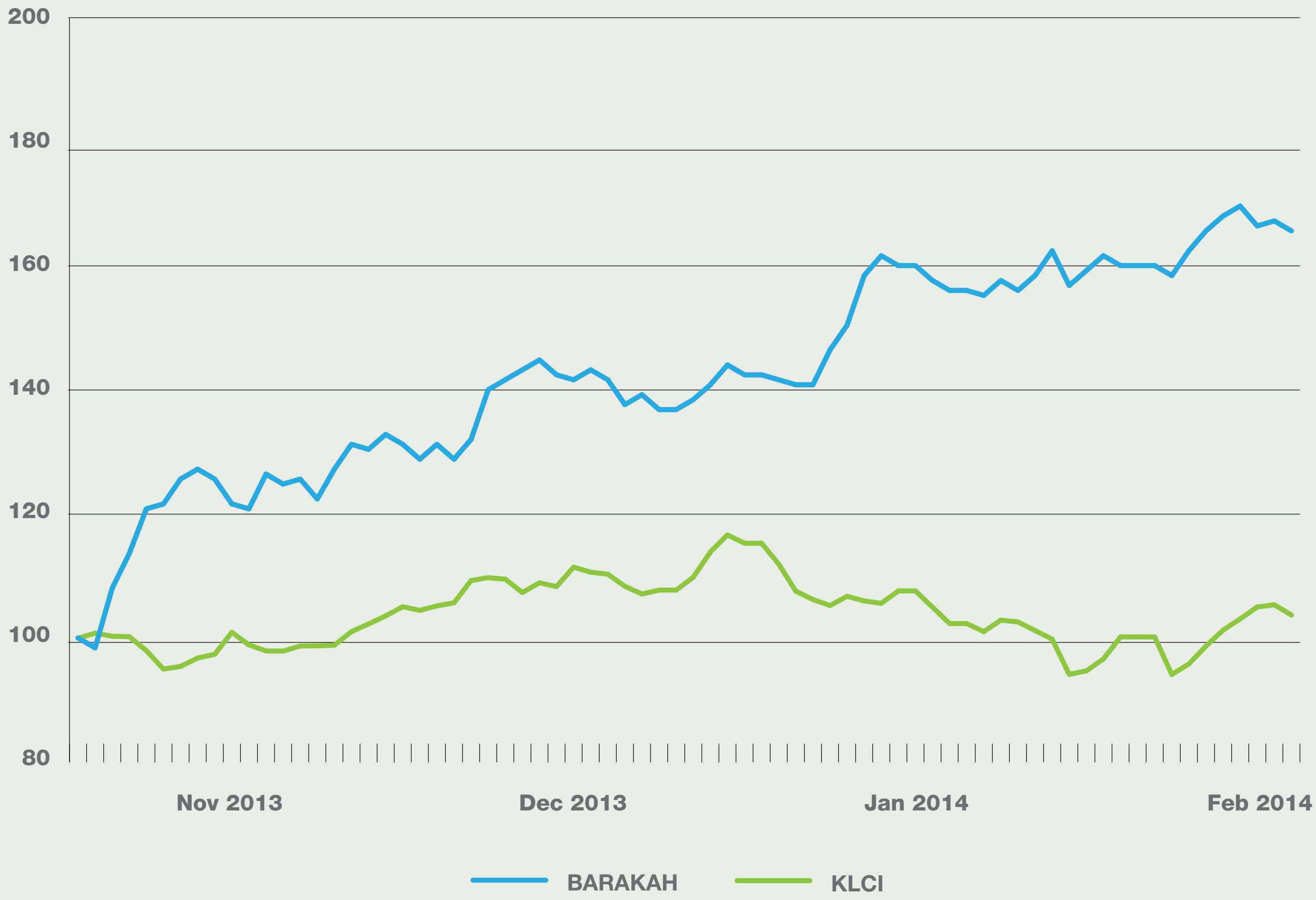
Audit

1. During the year, Bureau Veritas Certification (Malaysia) Sdn Bhd conducted annual audits on PBJV in relation to the ISO 9001:2008 Quality Management System certification and OHSAS 18001:2007 Occupational Health and Safety Management System certification. This is to ensure that the quality system and health and safety system were consistently complied with.

2. In July 2013, Barakah had established an in-house IAD reporting directly to the ARMC. The IAD provides an independent, objective assurance and consulting activity designed to add value to and improve Barakah's operations. It helps Barakah to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Further information on the IAD is provided on page 71 of the Annual Report.

This Statement of Risk Management and Internal Control is made in accordance with the resolution of the Board dated 10 February 2014.

share performance



Since listing on 6 November 2013 to 10 February 2014, Barakah share price had outperformed KLCI by 86%.

statement of directors' responsibility

The Directors are responsible for the preparation of the Group's and the Company's financial statements which give a true and fair view in accordance with the Malaysian Financial Reporting Standards, the requirements of the Companies Act 1965 in Malaysia and the MMLR of Bursa Malaysia Securities Berhad. In preparing the financial statements for the financial year ended 30 September 2013, the Directors have:-

a) adopted and applied consistently accounting policies that are appropriate and relevant to the Group and the Company;
b) made reasonable and prudent judgement and estimates;
c) ensured that proper accounting records are maintained; and
d) prepared the financial statements on a going concern basis.

The Directors have a further responsibility to ensure that appropriate internal controls are in place which are deemed necessary to enable the preparation of the financial statements that are free from material misstatements, as well as to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

additional compliance information

The following information is provided in accordance with Paragraph 9.25, Appendix 9C, of the MMLR of Bursa Malaysia.

1) UTILISATION OF PROCEEDS

The details of the utilisation of proceeds from the Issuance of Shares and the issuance of the Redeemable Convertible Unsecured Loan Stocks ("RCULS") are as follows:-

Purpose	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Expected timeframe for utilisation upon the completion of the Transfer of Listing Status
Proceeds from Issuance of Shares:-				
Purchase of equipment and machineries	15,400	–	15,400	12 months
Working capital	65,100	–	65,100	12 months
Estimated expenses in relation to the Restructuring Scheme and issuance of RCULS	4,000	2,428	1,572	3 months
Proceeds from issuance of RCULS:-				
Re-finance the borrowings of the pipe-laying barge	41,605	41,605	–	3 months
	126,105	44,033	82,072	

2) SHARE BUY-BACK

The Company does not have a share buy-back scheme during the financial year ended 30 September 2013.

3) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Employees' Share Option Scheme ("ESOS")

During the financial year ended 30 September 2013, the Company had granted 9,046,100 share options under the Employees' Share Option Scheme ("ESOS") on 27 September 2013. This options scheme will expire on 26 September 2018. A detailed breakdown of the allocation of the scheme as at 30 September 2013 is as follows:

	Directors and President & Chief Executive	Non-Executive Directors	Senior Management	Eligible Employees	Total
Total number of options granted	2,212,500	0	2,214,000	4,619,600	9,046,100
Total number of options exercised	0	0	0	0	0
Total option outstanding	2,212,500	0	2,214,000	4,619,600	9,046,100
Percentage granted to the directors and senior management	← 48.9% →				

Pursuant to the Company's ESOS by-Laws, not more than 50% of the shares available under the scheme shall be allocated, in aggregate, to directors and senior management. Since the commencement of the scheme, 48.9% of the options granted under the scheme have been granted to directors and senior management. No options were granted to the Non-Executive Directors.

Redeemable Convertible Unsecured Loan Stocks ("RCULS")

On 3 May 2013, the Securities Commission approved the issuance for 208,021,362 RCULS of RM41,604,272.40 nominal value of 5-year 3.5 % RCULS of RM0.20 each to entitled and existing shareholders. On 21 August 2013, Bursa Malaysia approved the listing of and quotation for said RCULS on the Main Market of Bursa Malaysia.

There were no other warrants or convertible securities issued by the Company which were exercised during the financial year ended 30 September 2013.

4) DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 30 September 2013.

5) SANCTIONS AND/OR PENALTIES IMPOSED

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 30 September 2013.

6) NON-AUDIT FEES

The total non-audit fees paid and payable to the Group's external auditors during the financial year ended 30 September 2013 amounted to RM335,000.

7) VARIATION IN RESULTS

There were no material variances of 10% or more between the audited results and the unaudited results previously announced for the financial year ended 30 September 2013.

8) PROFIT GUARANTEE

The Company and its subsidiaries did not issue any profit guarantee or profit forecast for the financial year ended 30 September 2013.

9) MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries, involving directors' and major shareholders' interest during the financial year ended 30 September 2013 except as disclosed in Note 9 and Note 30 to the financial statements.

10) RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

At the Second Annual General Meeting ("AGM") to be held on 19 March 2014, the Company intends to seek the shareholders' approval for the shareholders' ratification and the shareholders' mandate for recurrent related party transactions ("RRPT") which it has entered and will enter with its related parties, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the Group, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

The shareholders' ratification is sought to ratify the RRPT entered into by the Group with the related parties from the Listing Date to the date of the AGM. The shareholders' mandate will take effect for RRPT from the date of the AGM up to the conclusion of the next AGM.

Further details of which will be disclosed in the Circular to Shareholders dated 25 February 2014 despatched together with the Annual Report 2013.

financial statements

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	41,103	(106)
Attributable to:-		
Owners of the Company	41,131	(106)
Non-controlling interest	(28)	–
	41,103	(106)

DIVIDENDS

No dividend was paid since the end of the previous financial period and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Employees' Share Option Scheme.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 23 May 2012. The ESOS is to be in force for a period of 5 years effective from 27 September 2013.

The main features of the ESOS are disclosed in Note 13 to the financial statements.

During the financial year, the Company has granted 9,046,100 share options under the ESOS. These options will expire on 26 September 2018.

The option price and the details in the movement of the options granted are as follows:-

		Number of Options Over Ordinary Shares of RM0.20 Each			
Date of Offer	**Exercise Price**	**At 1.10.2012**	**Granted**	**Lapsed**	**At 30.9.2013**
27.9.2013	RM0.65	–	9,046,100	–	9,046,100

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of holders to whom options have been granted to subscribe for less than 180,000 ordinary shares of RM0.20 each. The names of option holders granted options to subscribe for 180,000 or more ordinary shares of RM0.20 each during the financial year, other than directors whose details are disclosed in the section on Directors' Interests in this report, are as follows:-

				< --------- Number Of Share Options -------- >		
Name	**Grant Date**	**Expiry Date**	**Exercise Price**	**Granted**	**Exercised**	**At 30.9.2013**
Haniza Binti Jaffar	27.9.2013	26.9.2018	RM0.65	465,000	-	465,000
Kamarudin Bin Ismail	27.9.2013	26.9.2018	RM0.65	420,000	-	420,000
Alias Bin Anuar	27.9.2013	26.9.2018	RM0.65	372,000	-	372,000
Ahmad Azrai Abu Bakar	27.9.2013	26.9.2018	RM0.65	294,000	-	294,000
Nasiruddin Lim Bin Abdullah	27.9.2013	26.9.2018	RM0.65	210,000	-	210,000
Mohamad Sharil Bin Ahmad	27.9.2013	26.9.2018	RM0.65	180,000	-	180,000

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Nik Hamdan Bin Daud
Azman Shah Bin Mohd Zakaria
Abd. Hamid Bin Ibrahim
Rasdee Bin Abdullah
Nurhilwani Binti Mohamad Asnawi
Sulaiman Bin Ibrahim
Datuk Azizan Bin Hj. Abd. Rahman (Appointed on 15 April 2013)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares and options over shares of the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.20 Each			
	At 1.10.2012	**Bought**	**Sold**	**At 30.9.2013**
The Company				
Direct Interests				
Nik Hamdan Bin Daud	440,936,233	-	-	440,936,233
Azman Shah Bin Mohd Zakaria	38,763,624	-	-	38,763,624
Sulaiman Bin Ibrahim	5	-	-	5
Nurhilwani Binti Mohamad Asnawi	5	-	-	5

	Number Of Options Over Ordinary Shares Of RM0.20 Each			
	At 1.10.2012	**Granted**	**Exercised**	**At 30.9.2013**
Share Options of The Company				
Nik Hamdan Bin Daud	-	900,000	-	900,000
Azman Shah Bin Mohd Zakaria	-	750,000	-	750,000
Rasdee Bin Abdullah	-	562,500	-	562,500

By virtue of their shareholdings in the Company, Nik Hamdan Bin Daud, Azman Shah Bin Mohd Zakaria, Sulaiman Bin Ibrahim and Nurhilwani Binti Mohamad Asnawi are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares and options over shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the options granted to certain directors pursuant to the ESOS of the Company.

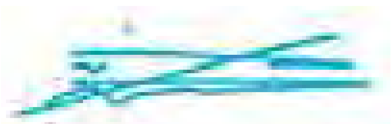
SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 33 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 27 January 2014



Nik Hamdan Bin Daud

Azman Shah Bin Mohd Zakaria

Statement By Directors

We, Nik Hamdan Bin Daud and Azman Shah Bin Mohd Zakaria, being two of the directors of Barakah Offshore Petroleum Berhad, state that, in the opinion of the directors, the financial statements set out on pages 88 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 September 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 35, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 27 January 2014

Nik Hamdan Bin Daud

Azman Shah Bin Mohd Zakaria

Statutory Declaration

I, Firdauz Edmin Bin Mokhtar, I/C No. 730414-14-5387, being the officer primarily responsible for the financial management of Barakah Offshore Petroleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 88 to 143 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Firdauz Edmin Bin Mokhtar, I/C No. 730414-14-5387,
at Kuala Lumpur in the Federal Territory
on this 27 January 2014

Before me
Datin Hajah Raihela Wanchik (W-275)
Commissioner for Oaths

Firdauz Edmin Bin Mokhtar

Independent Auditors' Report
To The Members Of Barakah Offshore Petroleum Berhad

Report on the Financial Statements

We have audited the financial statements of Barakah Offshore Petroleum Berhad, which comprise the statements of financial position as at 30 September 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 88 to 143.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 September 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the presentation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 35 on page 144 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

James Chan Kuan Chee
Approval No: 2271/10/15 (J)
Chartered Accountant

27 January 2014

Kuala Lumpur

Statements Of Financial Position

At 30 September 2013

		The Group		The Company	
	NOTE	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	97,878	96,909
Property, plant and equipment	6	305,630	319,798	2	-
		305,630	319,798	97,880	96,909
CURRENT ASSETS					
Trade receivables	7	104,266	51,061	-	-
Other receivables, deposits and prepayments		354	1,091	-	-
Tax refundable		2,766	2,898	-	-
Fixed deposits with licensed banks	8	39,487	31,038	-	-
Cash and bank balances		17,125	9,208	423	#
		163,998	95,296	423	#
Assets held for sale	9	1,258	-	-	-
TOTAL ASSETS		470,886	415,094	98,303	96,909
EQUITY AND LIABILITIES					
EQUITY					
Share capital	10	96,909	96,909	96,909	96,909
Merger deficit	11	(71,909)	(71,909)	-	-
Foreign exchange translation reserves	12	31	(3)	-	-
Employees' share option reserves	13	969	-	969	-
Retained profits/(Accumulated losses)		146,946	105,815	(200)	(94)
Equity attributable to owners of the Company		172,946	130,812	97,678	96,815
Non-controlling interest		85	106	-	-
TOTAL EQUITY		173,031	130,918	97,678	96,815

Note:-
 # – Denotes RM3

		The Group		The Company	
	NOTE	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	14	15,943	5,078	-	-
Long-term borrowings	15	207,453	220,463	-	-
		223,396	225,541	-	-
CURRENT LIABILITIES					
Trade payables	18	29,893	25,789	-	-
Other payables and accruals		7,460	14,362	87	21
Amount owing to a subsidiary	19	-	-	476	73
Amount owing to a director	20	-	42	-	-
Provision for taxation		153	26	62	-
Short-term borrowings	21	19,821	11,812	-	-
Bank overdrafts	22	17,132	6,604	-	-
		74,459	58,635	625	94
TOTAL LIABILITIES		297,855	284,176	625	94
TOTAL EQUITY AND LIABILITIES		470,886	415,094	98,303	96,909

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 30 September 2013

		The Group		The Company	
	NOTE	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012# RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
REVENUE	23	298,901	201,956	1,594	-
COST OF SALES		(175,746)	(131,788)	-	-
GROSS PROFIT		123,155	70,168	1,594	-
OTHER INCOME		1,466	957	-	-
		124,621	71,125	1,594	-
ADMINISTRATIVE EXPENSES		(26,318)	(19,065)	(1,091)	(94)
OTHER EXPENSES		(20,763)	(10,788)	(503)	-
FINANCE COSTS		(19,919)	(1,821)	-	-
PROFIT/(LOSS) BEFORE TAXATION	24	57,621	39,451	-	(94)
INCOME TAX EXPENSE	25	(16,518)	(6,237)	(106)	-
PROFIT/(LOSS) AFTER TAXATION		41,103	33,214	(106)	(94)
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
FOREIGN CURRENCY TRANSLATION DIFFERENCE FOR FOREIGN OPERATIONS		41	(2)	-	-
OTHER COMPREHENSIVE INCOME/ (EXPENSES) FOR THE YEAR/PERIOD		41	(2)	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		41,144	33,212	(106)	(94)

	NOTE	The Group 1.10.2012 To 30.9.2013 RM'000	The Group 1.10.2011 To 30.9.2012# RM'000	The Company 1.10.2012 To 30.9.2013 RM'000	The Company 1.3.2012 To 30.9.2012 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		41,131	33,231	(106)	(94)
Non-controlling interest		(28)	(17)	-	-
		41,103	33,214	(106)	(94)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		41,165	33,228	(106)	(94)
Non-controlling interest		(21)	(16)	-	-
		41,144	33,212	(106)	(94)
EARNINGS PER SHARE (SEN)					
Basic	26(a)	8.49	6.86		
Diluted	26(b)	8.33	6.86		

Note:-

 # – The financial statements of the subsidiaries, namely PBJV Group Sdn. Bhd. ("PBJV"), Kota Laksamana Management Sdn. Bhd. ("KLM"), PBJV Group Limited ("PBJV Ltd."), PBJV Gulf Co. Ltd. ("PBJV Gulf") and Kota Laksamana 101 Ltd. ("KL 101") have been consolidated using the merger method of accounting. Accordingly, the results of the Group incorporated the results of PBJV, KLM, PBJV Ltd., PBJV Gulf and KL 101 for the financial period from 1 October 2011 to 30 September 2012.

Statements Of Changes In Equity
For The Financial Year Ended 30 September 2013

The Group	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserves RM'000	Employees' Share Option Reserves RM'000	Retained Profits RM'000	Attributable To Owners Of the Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Balance at 1.10.2011	96,909	(71,909)	-	-	72,584	97,584	-	97,584
Profit after taxation for the financial year	-	-	-	-	33,231	33,231	(17)	33,214
Other comprehensive expenses for the financial year, net of tax:								
- Foreign currency translation	-	-	(3)	-	-	(3)	1	(2)
Total comprehensive income	-	-	(3)	-	33,231	33,228	(16)	33,212
Contribution by owners of the Company:								
- Acquisition of subsidiary	-	-	-	-	-	-	122	122
Total transaction with owners	-	-	-	-	-	-	122	122
Balance at 30.9.2012/ 1.10.2012	96,909	(71,909)	(3)	-	105,815	130,812	106	130,918
Profit after taxation for the financial year	-	-	-	-	41,131	41,131	(28)	41,103
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	34	-	-	34	7	41
Total comprehensive income	-	-	34	-	41,131	41,165	(21)	41,144
Employees' share options:								
- Granted	-	-	-	969	-	969	-	969
Balance at 30.9.2013	96,909	(71,909)	31	969	146,946	172,946	85	173,031

The Company	Share Capital RM'000	Employees' Share Option Reserves RM'000	Accumulated Losses RM'000	Total RM'000
At 1 March 2012 (date of incorporation)	#	-	-	#
Contribution by owners of the Company:				
Issuance of shares pursuant to:				
- acquisition of subsidiary	96,909	-	-	96,909
Loss after taxation/Total comprehensive expenses for the financial period	-	-	(94)	(94)
Balance at 30.9.2012/1.10.2012	96,909	-	(94)	96,815
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(106)	(106)
Employees' share options:				
- Granted	-	969	-	969
Balance at 30.9.2013	96,909	969	(200)	97,678

Note:-
 # – Denotes RM3

Statements Of Cash Flows

For The Financial Year Ended 30 September 2013

		The Group		The Company	
	NOTE	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012# RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		57,621	39,451	-	(94)
Adjustments for:-					
Bad debts written off		122	721	-	-
Depreciation of property, plant and equipment		17,303	6,219	*	-
Interest expense		19,430	1,248	-	-
Interest income		(1,082)	(800)	-	-
Unrealised loss/(gain) on foreign exchange		9	(35)	-	-
Share-based payments		969	-	-	-
Operating profit/(loss) before working capital changes		94,372	46,804	*	(94)
(Increase)/Decrease in trade and other receivables		(52,590)	80,621	-	-
(Decrease)/Increase in trade and other payables		(2,798)	(39,230)	66	21
CASH FROM/(FOR) OPERATIONS		38,984	88,195	66	(73)
Interest paid		(19,430)	(1,248)	-	-
Interest received		1,082	800	-	-
Income tax paid		(5,394)	(17,160)	(44)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		15,242	70,587	22	(73)
NET CASH FOR INVESTING ACTIVITY					
Purchase of property, plant and equipment	27	(4,085)	(44,816)	(2)	-
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
(Repayment to)/Advances from a director		(42)	22	-	-
Repayment of hire purchase obligation		(19)	(17)	-	-
Repayment of term loans		(5,285)	(4,448)	-	-
Advances from a subsidiary		-	-	403	73
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(5,346)	(4,443)	403	73

Note:-
** – Denotes RM13*

		The Group		The Company	
	NOTE	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012# RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
NET INCREASE OF CASH AND CASH EQUIVALENTS		5,811	21,328	423	-
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		27	4	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		33,642	12,310	#	#
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	28	39,480	33,642	423	#

Note:-
 # – Denotes RM3

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	No. 28, Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 January 2014.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following new accounting standard and interpretation (including the consequential amendment):

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income.

The adoption of the above accounting standard and interpretation (including the consequential amendment) did not have any material impact on the Group's financial statements, other than the following:-

(i) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

3. BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2009 – 2012 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(i) MFRS 9 & Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosure.

(ii) MFRS 10 & Amendments to MFRS 10: Transition Guidance

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

3. BASIS OF PREPARATION (CONT'D)

(b) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows (Cont'd):-

(iii) MFRS 12 & Amendments to MFRS 12: Transition Guidance

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(iv) MFRS 13

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(v) Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosure.

(vi) Amendments to MFRS 10, MFRS 12 & MFRS 127: Investment Entities

The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There will be no financial impact to the financial statements of the Group upon its initial application.

(vii) Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

(viii) Annual Improvements to MFRSs 2009 – 2012 Cycle.

The Annual Improvements to MFRSs 2009 – 2012 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(v) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(vi) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(vii) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 September 2013.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Acquisitions of businesses are accounted for using the acquisition method other than those which resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(i) Merger accounting for common control business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial period.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(ii) Acquisition method of accounting for non-common control business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquire are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(e) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation or amortisation and impairment losses, if any.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold land is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment (Cont'd)

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease period of 99 years
Building	2%
Computers	50%
Furniture and fittings	10%
Communication equipment	10%
Machinery and equipment	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Barge	4%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and will be transferred to the relevant category of long term assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken specifically to finance the purchase of the assets, net of interest income on the temporary investment of those borrowings.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Group, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Assets under Hire Purchase or Finance Lease

Assets acquired under hire purchase or finance lease are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(e) above. Each hire purchase or finance lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase or finance lease agreements.

(i) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(l) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Share-based Payment Transactions

At grant date, the fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(m) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue Recognition

(i) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

(ii) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised up to the extent of the expenses incurred that are recoverable.

(iii) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(iv) Rental Income

Rental income is recognised on an accrual basis.

(o) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

(p) Assets Held For Sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Company's accounting policies.

Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(q) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013 RM'000	2012 RM'000
Unquoted ordinary shares, at cost		
At 1 October 2012/1 March 2011 (date of incorporation)	96,909	-
Addition	969	96,909
At 30 September 2013/2012	97,878	96,909

The details of the subsidiaries are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interests 2013	2012	Principal Activities
PBJV Group Sdn. Bhd. ("PBJV") *	Malaysia	100%	100%	Providing and carrying out onshore and offshore contracting works such as pipeline pre-commissioning, commissioning and de-commissioning, pipeline installation, fabrication, hook-up, topside maintenance and other related activities.
Subsidiaries of PBJV				
Kota Laksamana Management Sdn. Bhd. *	Malaysia	100%	100%	Conducting service expedition relating to marine activities for the oil and gas industry.
PBJV Group Limited @ *	Federal Territory of Labuan, Malaysia	100%	100%	Ship-owning and other shipping related activities.
PBJV Gulf Co. Ltd ^ *	Kingdom of Saudi Arabia	85%	85%	Providing offshore pipeline installation and maintenance services.
Kota Laksamana 101 Ltd @ *	Federal Territory of Labuan, Malaysia	100%	100%	Dormant

@ – These subsidiaries were audited by a member firm of Crowe Horwath International of which Crowe Horwath is a member.
^ – This subsidiary was audited by other firm of chartered accountants.
* – These subsidiaries were consolidated using the merger method of accounting.

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.10.2012 RM'000	Additions RM'000	Transfer To Assets Held For Sale (Note 9) RM'000	Depreciation Charge RM'000	Exchange Difference RM'000	At 30.9.2013 RM'000
Net Book Value						
Freehold land	480	-	(480)	-	-	-
Leasehold land	1,728	-	-	(19)	-	1,709
Building	1,003	-	(778)	(63)	-	162
Computers	365	614	-	(397)	-	582
Furniture and fittings	776	98	-	(154)	2	722
Communication equipment	322	24	-	(57)	-	289
Machinery and equipment	25,674	3,361	-	(4,632)	-	24,403
Motor vehicles	63	-	-	(32)	-	31
Office equipment	623	83	-	(125)	-	581
Renovation	2,644	165	-	(369)	3	2,443
Barge	286,120	-	-	(11,455)	-	274,665
Capital work-in-progress	-	43	-	-	-	43
	319,798	4,388	(1,258)	(17,303)	5	305,630

The Group	At 1.10.2011 RM'000	Additions RM'000	Transfer From/(To) RM'000	Depreciation Charge RM'000	At 30.9.2012 RM'000
Net Book Value					
Freehold land	480	-	-	-	480
Leasehold land	1,747	-	-	(19)	1,728
Buildings	1,150	-	-	(147)	1,003
Computers	287	353	-	(275)	365
Furniture and fittings	774	144	-	(142)	776
Communication equipment	260	117	-	(55)	322
Machinery and equipment	29,819	809	-	(4,954)	25,674
Motor vehicles	105	-	-	(42)	63
Office equipment	360	331	-	(68)	623
Renovation	1,488	1,422	-	(266)	2,644
Barge	-	-	286,371	(251)	286,120
Capital work-in-progress	207,715	78,656	(286,371)	-	-
	244,185	81,832	-	(6,219)	319,798

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 30.9.2013			
Leasehold land	1,858	(149)	1,709
Building	440	(278)	162
Computers	2,856	(2,274)	582
Furniture and fittings	1,572	(850)	722
Communication equipment	601	(312)	289
Machinery and equipment	53,729	(29,326)	24,403
Motor vehicles	260	(229)	31
Office equipment	1,088	(507)	581
Renovation	3,730	(1,287)	2,443
Barge	286,371	(11,706)	274,665
Capital work-in-progress	43	-	43
	352,548	(46,918)	305,630
At 30.9.2012			
Freehold land	480	-	480
Leasehold land	1,858	(130)	1,728
Buildings	1,340	(337)	1,003
Computers	2,242	(1,877)	365
Furniture and fittings	1,472	(696)	776
Communication equipment	577	(255)	322
Machinery and equipment	50,368	(24,694)	25,674
Motor vehicles	260	(197)	63
Office equipment	1,005	(382)	623
Renovation	3,562	(918)	2,644
Barge	286,371	(251)	286,120
	349,535	(29,737)	319,798

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.10.2012 RM'000	Addition RM'000	Depreciation Charge RM'000	At 30.9.2013 RM'000
Net Book Value				
Office equipment	-	2	*	2

The Company	At Cost	Accumulated Depreciation	Net Book Value
Office equipment	2	*	2

Note:-
** - Denotes RM13*

Included in the property, plant and equipment of the Group are the following assets acquired under finance lease and hire purchase terms:

	The Group	
	2013 RM'000	2012 RM'000
Leasehold land	902	1,728
Motor vehicles	29	58
Machinery and equipment	3,607	3,705
Barge	274,665	286,120
	279,203	291,611

The net book value of the property, plant and equipment of the Group at the end of the reporting period pledged as security for banking facilities are as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Buildings	162	201
Leasehold land	1,709	1,728
Machinery and equipment	3,607	3,705
Barge	274,665	286,120
	280,143	291,754

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Capital work-in-progress represents cost incurred on renovation of the Group's premises.

Included in capital work-in-progress is borrowing cost of RMNil (2012 – RM17,035,783), arising from financing specifically for the construction of the barge which was capitalised as an addition of property, plant and equipment.

As at the end of the reporting period, the building and a piece of leasehold land with a net book value of approximately RM162,430 (2012 – RM201,101) and RM807,280 (2012 – RM816,453) respectively, which were pledged as security for banking facilities, are in the process of being discharged as the facilities granted had been fully settled during the previous financial year and current financial year respectively.

7. TRADE RECEIVABLES

	The Group	
	2013 RM'000	**2012 RM'000**
Trade receivables	96,561	48,055
Accrued revenue	7,705	3,006
	104,266	51,061

The Group's normal trade credit terms range from 60 days to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

8. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks amounting to RM33,509,470 (2012 - RM20,774,284) have been pledged as security for banking facilities granted to the Group.

The fixed deposits with licensed banks amounting to RM2,958,500 (2012 - RM2,874,666) are registered under the name of a director and are held in trust on behalf of the Group. The transfer of the fixed deposits ownership from the director to the Group was completed on 16 January 2014.

The effective interest rates of fixed deposits at the end of the reporting period ranged from 2.70% to 4.30% (2012 - 2.70% to 3.30%) per annum. The fixed deposits have maturity periods ranging from 30 days to 365 days (2012 - 30 days to 365 days).

9. ASSETS HELD FOR SALE

	The Group	
	2013 RM'000	2012 RM'000
At 1 October 2012/2011	-	-
Transfer from property, plant and equipment (Note 6)	1,258	-
At 30 September 2013/2012	1,258	-

As at the end of the reporting period, a piece of freehold land with a total net book value of RM400,000 (2013 – RM400,000) is registered under the name of a director and is held in trust on behalf of the Group. The disposal of the said land was completed on 19 November 2013.

On 23 October 2012, PBJV, a wholly-owned subsidiary of the Company, had entered into the following arrangements:-

(a) a Sale and Purchase Agreement with En. Nik Hamdan Bin Daud, a director of the Company, to dispose of a piece of freehold land for a total cash consideration of RM110,000. The net book value of the said freehold land as at the end of the current financial year is RM80,000;

(b) a Sale and Purchase Agreement with Dynamic Curve Sdn. Bhd., a third party, to dispose of two units of duplex apartments for a total cash consideration of RM900,000. The total net book value of the said two units of duplex apartments as at the end of the current financial year amounted to RM778,500; and

(c) a Revocation of Trust with En. Nik Hamdan Bin Daud to revoke the trust created over a piece of freehold land to vest both the legal and beneficial ownership of the said land to En. Nik Hamdan Bin Daud upon the settlement of a total cash consideration of RM700,000. The total net book value of the said freehold land as at the end of the current financial year amounted to RM400,000.

The abovementioned disposals were not completed as of 30 September 2013 and hence, have been classified as assets held for sale.

On 19 November 2013, PBJV had received the cash consideration for the disposal as disclosed in (a) above and as at the date of this report, PBJV is in the midst of transferring the legal ownership from PBJV to the said director.

The disposals as disclosed in (b) and (c) above were completed on 19 November 2013 with a net gain of RM121,500 and RM300,000 respectively.

10. SHARE CAPITAL

The Company	Par Value RM	2013 Number Of Shares('000)	2012 Number Of Shares('000)	2013 RM'000	2012 RM'000
Ordinary Shares					
Authorised					
At 1 October 2012/1 March 2012 (date of incorporation)	0.20/0.10	10,000,000	20,000,000	2,000,000	2,000,000
Share consolidation of every 2 shares of RM0.10 each into 1 share of RM0.20 each	0.20	-	(10,000,000)	-	-
At 30 September 2013/2012	0.20	10,000,000	10,000,000	2,000,000	2,000,000
Issued And Fully Paid-Up					
At 1 October 2012/1 March 2012 (date of incorporation)	0.20/0.10	484,545	*	96,909	#
Allotment of shares pursuant to acquisition of subsidiary	0.10	-	969,091	-	96,909
Share consolidation of every 2 shares of RM0.10 each into 1 share of RM0.20 each	0.20	-	(484,546)	-	-
At 30 September 2013/2012		484,545	484,545	96,909	96,909

Notes:-
** – Denotes 30 ordinary shares*
 # – Denotes RM3

During the previous financial period,

(a) the Company increased its issued and paid-up share capital from RM3 to RM96,909,064 in the following manner:-

(i) Acquisition of PBJV Group Sdn. Bhd.

The Company acquired the entire issued and paid-up share capital in PBJV Group Sdn. Bhd. of RM25,000,000 comprising of 25,000,000 ordinary shares of RM1.00 each for a total consideration of RM96,909,061 satisfied entirely by the issuance of 969,090,610 new ordinary shares of RM0.10 each in the Company.

All the new ordinary shares issued during the previous financial period rank pari passu in all respects with the existing ordinary shares of the Company;

(b) the consolidation of every 2 existing ordinary shares of RM0.10 each into 1 new ordinary share of RM0.20 each. Arising therefrom, the 969,090,640 ordinary shares of RM0.10 each were consolidated into 484,545,320 new ordinary shares of RM0.20 each.

11. MERGER DEFICIT

The merger deficit of RM71,909,061 resulted from the difference between the carrying value of the investment in a subsidiary and the nominal value of the shares of the Company's subsidiary upon consolidation under the merger accounting principle.

12. FOREIGN EXCHANGE TRANSLATION RESERVES

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributed by way of dividends.

13. EMPLOYEES' SHARE OPTION RESERVES

The employees' share option reserves represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 23 May 2012. The ESOS is to be in force for a period of 5 years effective from 27 September 2013.

The main features of the ESOS are as follows:-

(i) Eligible persons are employees and/or directors of the Group, save for companies which are dormant, who have been confirmed in the employment of the Group;

(ii) The maximum number of new shares of the Company, which may be available under the scheme, shall not exceed in aggregate 5%, or any such amount or percentage as may be permitted by the relevant authorities and approved by ordinary resolution of the shareholders of the Company of the issued and paid-up share capital of the Company (excluding treasury shares) at any point in time during the duration of the ESOS scheme;

(iii) The subscription price, in respect of options granted prior to the date of listing of the Company's entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities, shall be RM0.65 per share;

(iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS; and

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to the date of allotment and issuance of the new shares.

The option prices and the details in the movement of the options granted are as follows:-

		Number Of Options Over Ordinary Shares Of RM0.20 Each			
Date Of Offer	**Exercise Price**	**At 1.10.2012**	**Granted**	**Exercised**	**At 30.9.2013**
27.9.2013	RM0.65	-	9,046,100	-	9,046,100

13. EMPLOYEES' SHARE OPTION RESERVES (CONT'D)

The fair values of the share options granted were estimated using an option model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	2013
Fair value of share options at the grant date (RM)	0.1070
Weighted average share price (RM)	-
Exercise price (RM)	0.65
Expected volatility (%)	8.68
Expected life (years)	5.00
Risk free rate (%)	3.26
Expected dividend yield (%)	0.00

14. DEFERRED TAX LIABILITIES

	The Group	
	2013 RM'000	2012 RM'000
At 1 October 2012/2011	5,078	4,509
Recognised in profit or loss (Note 25)	10,865	569
At 30 September 2013/2012	15,943	5,078

The deferred taxation relates to temporary differences arising from accelerated capital allowances on qualifying capital expenditure.

15. LONG-TERM BORROWINGS

	The Group	
	2013 RM'000	2012 RM'000
Hire purchase payables (Note 16)	55	75
Term loans (Note 17)	207,398	220,388
	207,453	220,463

16. HIRE PURCHASE PAYABLES

	The Group	
	2013 RM'000	2012 RM'000
Minimum hire purchase payments:		
- not later than one year	24	24
- later than one year and not later than five years	60	84
- later than five years	-	-
	84	108
Less: Future finance charges	(9)	(14)
Present value of hire purchase payables	75	94

The net hire purchase payables are repayable as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Current:		
- not later than one year (Note 21)	20	19
Non-current (Note 15):		
- later than one year and not later than five years	55	75
- later than five years	-	-
	55	75
	75	94

17. TERM LOANS

	The Group	
	2013 RM'000	**2012 RM'000**
Current portion (Note 21):		
- not later than one year	19,801	11,793
Non-current portion (Note 15):		
- later than one year and not later than five years	97,253	92,738
- later than five years	110,145	127,650
	207,398	220,388
	227,199	232,181

Details of the repayment terms are as follows:-

					The Group Amount Outstanding	
Term Loans	**Monthly Instalments RM**	**Number of Monthly Instalment**	**Yearly Interest Rate**	**Date of Commencement of Repayment**	**2013 RM'000**	**2012 RM'000**
1	4,114	180	8.10%	31/7/2003	196	228
2	102,133	60	8.75%	31/1/2008	-	401
3	5,504	120	4.80%	27/9/2009	353	400
4	1,283,396	84	8.10%	1/3/2013	76,324	79,704
5	1,809,524	84	8.10%	25/3/2013	147,082	148,086
6	53,192	84	7.60%	19/6/2012	3,244	3,362
					227,199	232,181

The term loans are secured by:-

(i) a first legal charge over certain freehold land, leasehold land and buildings as disclosed in Note 6 to the financial statements;
(ii) a joint and several guarantee of a director of the Group and a third party;
(iii) a legal debenture on equipment financed by certain banks;
(iv) a third party legal charge over the proposed new multi-purpose PLB-101-Kota Laksamana ("PBL"), a vessel, for RM152,000,000 throughout the financing period upon the Group taking delivery of the Barge;
(v) a third party charge over 90% of its subsidiary shares for which the PLB is registered to;
(vi) a charge over the designated account by way of memorandum of deposit together with letter of set off;
(vii) a debenture for the amount of RM185,000,000 over the Group's fixed and floating current and future assets;
(viii) a third party debenture for the amount of RM185,000,000 over its subsidiary's fixed and floating, current and future assets. This debenture is to be released once the legal charge over PLB has been perfected;

17. TERM LOANS (CONT'D)

(ix) an assignment of charter proceeds to a licensed financial institution or irrevocable notice of payment instruction at the sole and absolute discretion of a licensed financial institution. Charter proceeds are to be credited into a designated Escrow Account to be created;

(x) a charge and assignment incorporating Power of Attorney for its subsidiary over:-
- all applicable insurance in respect of PLB;
- receivables account;
- designated escrow accounts; and
- general investment account.

(xi) an assignment of shipbuilding contract signed between its subsidiary and a third party, Grand One Marine Shipyard Sdn. Bhd., with all absolute rights contain in the Contract to a licensed financial institution and subject to a licensed financial institution satisfaction;

(xii) a negative pledge from the Group not to pledge its existing asset to any bank without a licensed financial institution's consent;

(xiii) a security deposit of RM912,000 pledged under General Investment Account in lieu of the stamping fees; and

(xiv) an undertaking from the current shareholders of the Group that they will not relinquish their shareholdings without the licensed financial institution's prior written approval so long as the facility remains outstanding.

18. TRADE PAYABLES

	The Group	
	2013 RM'000	**2012 RM'000**
Trade payables	29,501	25,526
Related parties	392	263
	29,893	25,789

The normal trade credit terms granted to the Group range from 60 to 90 days.

19. AMOUNT OWING TO A SUBSIDIARY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

20. AMOUNT OWING TO A DIRECTOR

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

21. SHORT-TERM BORROWINGS

	The Group	
	2013 RM'000	2012 RM'000
Hire purchase payables (Note 16)	20	19
Term loans (Note 17)	19,801	11,793
	19,821	11,812

22. BANK OVERDRAFTS

The bank overdrafts bore an effective interest rate of 8.13% (2012 - 8.17%) per annum at the end of the reporting period.

The bank overdraft is secured by:-

(i) a pledge of the fixed deposits of the Group as disclosed in Note 8 to the financial statements;
(ii) a joint and several guarantee of a director of the Group and a third party;
(iii) an irrevocable letter of instruction from the Group to the main contractor and their agreement to remit payment to the bank; and
(iv) a placement of a half yearly sinking fund of RM100,000.

23. REVENUE

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
Pipeline and commissioning services ^	176,674	138,661	-	-
Installation and construction services *	122,227	63,295	-	-
Management fee	-	-	1,594	-
	298,901	201,956	1,594	-

Notes:-
^ – Previously defined as "Pre-commissioning, commissioning and de-commissioning service"
** – Previously defined as "Construction and pipeline installation"*

24. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Audit fee	164	128	30	10
Bad debts written off	122	721	-	-
Depreciation of property, plant and equipment	17,303	6,219	*	-
Directors' emoluments:				
- directors' fee	470	1,032	380	-
- salaries, allowances and bonuses	2,750	1,102	44	-
- defined contribution plan	89	65	-	-
- other benefits	39	95	-	-
Interest expense:				
- bank overdrafts	620	961	-	-
- hire purchase	5	6	-	-
- term loans	18,805	281	-	-
Rental of equipment and machineries	40,659	21,287	-	-
Rental of premises	659	722	-	-
Rental of motor vehicle	271	-	-	-
Staff costs:				
- salaries, allowances and bonuses	15,696	11,037	482	-
- defined contribution plan	2,016	1,346	58	-
- other benefits	124	92	1	-
Realised loss on foreign exchange	30	263	-	-
Unrealised loss/(gain) on foreign exchange	9	(35)	-	-
Interest income:				
- fixed deposits	(957)	(602)	-	-
- others	(125)	(198)	-	-
Rental income	(48)	(46)	-	-
Share-based payments	969	-	-	-

Note:-

** – Denotes RM13*

25. INCOME TAX EXPENSE

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
Current tax:				
- for the financial year/period	5,716	6,094	106	-
- overprovision in the previous financial year/period	(63)	(426)	-	-
	5,653	5,668	106	-
Deferred tax expense (Note 14):				
- for the financial year/period	10,884	569	-	-
- overprovision in the previous financial year/period	(19)	-	-	-
	10,865	569	-	-
	16,518	6,237	106	-

25. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
Profit/(Loss) before taxation	57,621	39,451	-	(94)
Tax at the statutory tax rate of 25%	14,405	9,862	-	(24)
Tax effects of:				
Non-deductible expenses	2,185	1,080	106	24
Income not subject to tax	(31)	(4,259)	-	-
Utilisation of deferred tax assets previously not recognised	(1)	(12)	-	-
Differential in tax rates	42	(8)	-	-
Overprovision of deferred tax in the previous financial year/period	(19)	-	-	-
Overprovision of income tax in the previous financial year/period	(63)	(426)	-	-
Tax for the financial year/period	16,518	6,237	106	-

26. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is arrived at by dividing the Group's profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000
Profit attributable to owners of the Company	41,131	33,231
Weighted average number of ordinary shares in issue ('000)	484,545	484,545
Basic earnings per share (Sen)	8.49	6.86

(b) Diluted

The diluted earnings per share is arrived at by adjusting for the dilutive effects of all potential ordinary shares, such as the share options granted to employees, on the Group's profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000
Profit attributable to owners of the Company	41,131	33,231
Weighted average number of ordinary shares in issue ('000)	484,545	484,545
Effects of dilution from share options granted to employees ('000)	9,046	-
	493,591	484,545
Diluted earnings per share (Sen)	8.33	6.86

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	1.10.2011 To 30.9.2012 RM'000	1.10.2012 To 30.9.2013 RM'000	1.3.2012 To 30.9.2012 RM'000
Cost of property, plant and equipment	4,388	81,832	2	-
Amount financed through term loans	(303)	(37,016)	-	-
Cash disbursed for purchase of property, plant and equipment	4,085	44,816	2	-

28. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed deposits with licensed banks	39,487	31,038	-	-
Cash and bank balances	17,125	9,208	423	#
Bank overdrafts	(17,132)	(6,604)	-	-
	39,480	33,642	423	#

Note:-
 # – Denotes RM3

29. OPERATING SEGMENTS

No segmental information is provided as the Group is primarily involved in the oil and gas industry and the Group's activities are predominantly in Malaysia. The overseas segment account for less than 10% of the consolidated revenue and assets.

30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the information detailed elsewhere in the financial statements, the Group carried out the following significant transactions with the related parties during the financial year/period:-

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	**1.10.2011 To 30.9.2012 RM'000**	**1.10.2012 To 30.9.2013 RM'000**	**1.3.2012 To 30.9.2012 RM'000**
Parties connected to Directors				
Purchases	-	26,900	-	-
Company in which certain Directors have interests				
Purchases	3,138	11,788	-	-
Donations	559	580	-	-
Subsidiary				
Management fee received/receivable	-	-	1,594	-
Key management personnel compensation:-				
- short-term employee benefits	4,147	2,294	360	-

31. CAPITAL COMMITMENTS

	The Group	
	2013 RM'000	**2012 RM'000**
Property, plant and equipment:-		
Approved and contracted for	157	-

32. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Singapore Dollar, United States Dollar and Saudi Riyal. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign currency exposure

The Group	Singapore Dollar RM'000	United States Dollar RM'000	Pound Sterling RM'000	Euro RM'000	Saudi Riyal RM'000	Ringgit Malaysia RM'000	Total RM'000
2013							
Financial assets							
Trade receivables	-	3,578	-	-	-	100,688	104,266
Other receivables and deposits	-	-	-	-	16	254	270
Fixed deposits with licensed banks	-	-	-	-	-	39,487	39,487
Cash and bank balances	2	4,241	^	22	869	11,991	17,125
	2	7,819	^	22	885	152,420	161,148
Financial liabilities							
Trade payables	(918)	(4,833)	-	-	-	(24,142)	(29,893)
Other payables and accruals	-	(1)	-	-	(63)	(7,396)	(7,460)
Term loans	-	-	-	-	-	(227,199)	(227,199)
Hire purchase payables	-	-	-	-	-	(75)	(75)
Bank overdrafts	-	-	-	-	-	(17,132)	(17,132)
	(918)	(4,834)	-	-	(63)	(275,944)	(281,759)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Singapore Dollar RM'000	United States Dollar RM'000	Pound Sterling RM'000	Euro RM'000	Saudi Riyal RM'000	Ringgit Malaysia RM'000	Total RM'000
2013							
Net financial (liabilities)/assets	(916)	2,985	^	22	822	(123,524)	(120,611)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	-	(1)	-	-	(822)	123,524	122,701
Currency exposure	(916)	2,984	^	22	-	-	2,090

Note:-
^ – Denotes RM19

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Singapore Dollar RM'000	United States Dollar RM'000	Pound Sterling RM'000	Euro RM'000	Saudi Riyal RM'000	Ringgit Malaysia RM'000	Total RM'000
2012							
Financial assets							
Trade receivables	-	-	-	-	-	51,061	51,061
Other receivables and deposits	-	-	-	-	4	1,077	1,081
Fixed deposits with licensed banks	-	-	-	-	-	31,038	31,038
Cash and bank balances	2	121	^	20	818	8,247	9,208
	2	121	^	20	822	91,423	92,388
Financial liabilities							
Trade payables	(841)	(5,970)	-	-	-	(18,978)	(25,789)
Other payables and accruals	-	-	-	-	(11)	(14,351)	(14,362)
Amount owing to a director	-	-	-	-	-	(42)	(42)
Term loans	-	-	-	-	-	(232,181)	(232,181)
Hire purchase payables	-	-	-	-	-	(94)	(94)
Bank overdrafts	-	-	-	-	-	(6,604)	(6,604)
	(841)	(5,970)	-	-	(11)	(272,250)	(279,072)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Singapore Dollar RM'000	United States Dollar RM'000	Pound Sterling RM'000	Euro RM'000	Saudi Riyal RM'000	Ringgit Malaysia RM'000	Total RM'000
2012							
Net financial (liabilities)/assets	(839)	(5,849)	^	20	811	(180,827)	(186,684)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	-	*	-	-	(811)	180,827	180,016
Currency exposure	(839)	(5,849)	^	20	-	-	(6,668)

Notes:-
** – Denotes RM640*
^ – Denotes RM19

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2013 Increase/ (Decrease) RM'000	**2012 Increase/ (Decrease) RM'000**
Effects on profit after taxation and equity		
Singapore Dollar:		
- strengthened by 10%	(69)	(63)
- weakened by 10%	69	63
United States Dollar:		
- strengthened by 10%	224	(439)
- weakened by 10%	(224)	439
Pound Sterling:		
- strengthened by 10%	#	#
- weakened by 10%	(#)	(#)
Euro:		
- strengthened by 10%	2	2
- weakened by 10%	(2)	(2)

Note:-
 # – Denotes RM1

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 32(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2013 Increase/ (Decrease) RM'000	**2012 Increase/ (Decrease) RM'000**
Effects on profit after taxation		
Increase of 100 basis points (bp)	(1,832)	(1,791)
Decrease of 100 bp	1,832	1,791
Effects on equity		
Increase of 100 bp	(1,832)	(1,791)
Decrease of 100 bp	1,832	1,791

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

<u>Credit risk concentration profile</u>

The Group's major concentration of credit risk relates to the amounts owing by three (3) customers which constituted approximately 72% of its trade receivables as at the end of the reporting period.

<u>Exposure to credit risk</u>

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

<u>Ageing analysis</u>

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2013				
Not past due	85,124	-	-	85,124
Past due:-				
- less than 2 months	4,532	-	-	4,532
- 2 to 6 months	715	-	-	715
- over 6 months	13,895	-	-	13,895
	104,266	-	-	104,266

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (cont'd)

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2012				
Not past due	40,758	-	-	40,758
Past due:-				
- less than 2 months	7,771	-	-	7,771
- 2 to 6 months	2,316	-	-	2,316
- over 6 months	216	-	-	216
	51,061	-	-	51,061

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
2013						
Hire purchase payables	6.28	75	84	24	60	-
Term loans	8.09	227,199	305,230	37,453	149,803	117,974
Trade payables	-	29,893	29,893	29,893	-	-
Other payables and accruals	-	7,460	7,460	7,460	-	-
Bank overdrafts	8.13	17,132	17,132	17,132	-	-
		281,759	359,799	91,962	149,863	117,974
2012						
Hire purchase payables	6.28	94	108	24	84	-
Term loans	8.09	232,181	327,153	22,622	150,164	154,367
Trade payables	-	25,789	25,789	25,789	-	-
Other payables and accruals	-	14,362	14,362	14,362	-	-
Amount owing to a director	-	42	42	42	-	-
Bank overdrafts	8.17	6,604	6,604	6,604	-	-
		279,072	374,058	69,443	150,248	154,367

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
2013						
Other payables and accruals	-	87	87	87	-	-
Amount owing to a subsidiary	-	476	476	476	-	-
		563	563	563	-	-
2012						
Other payables and accruals	-	21	21	21	-	-
Amount owing to a subsidiary	-	73	73	73	-	-
		94	94	94	-	-

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

There was no change in the Group's approach to capital management during the financial year.

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (Cont'd)

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	2013 RM'000	**2012 RM'000**
Hire purchase payables	75	94
Term loans	227,199	232,181
Trade payables	29,893	25,789
Other payables and accruals	7,460	14,362
Amount owing to a director	-	42
Bank overdrafts	17,132	6,604
	281,759	279,072
Less: Fixed deposits with licensed banks	(39,487)	(31,038)
Less: Cash and bank balances	(17,125)	(9,208)
Net debt	225,147	238,826
Total equity	173,031	130,918
Debt-to-equity ratio	1.30	1.82

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	The Group		The Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Financial assets				
Loans and receivables financial assets				
Trade receivables	104,266	51,061	-	-
Other receivables and deposits	270	1,081	-	-
Fixed deposits with licensed banks	39,487	31,038	-	-
Cash and bank balances	17,125	9,208	423	#
	161,148	92,388	423	#
Financial liabilities				
Other financial liabilities				
Hire purchase payables	75	94	-	-
Term loans	227,199	232,181	-	-
Trade payables	29,893	25,789	-	-
Other payables and accruals	7,460	14,362	87	21
Amount owing to a subsidiary	-	-	476	73
Amount owing to a director	-	42	-	-
Bank overdrafts	17,132	6,604	-	-
	281,759	279,072	563	94

Note:-
 # – Denotes RM3

32. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

(e) Fair Value Hierarchy

At the end of the reporting period, there were no financial instruments carried at fair values.

33. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are as follows:-

(a) On 3 May 2013, the Securities Commission Malaysia ("SC") had approved the Restructuring Scheme entered into by the Company with Vastalux Energy Berhad ("VEB"), a public company limited by shares, which would involve the Company assuming the listing status of VEB upon the completion of the Restructuring Scheme. The following stages of the Restructuring Scheme were undertaken by the Company:

(i) Share Exchange

The Share Exchange involved the exchange of the entire issued and paid-up share capital of VEB of RM51,560,000 comprising 206,240,000 ordinary shares of RM0.25 each in VEB ("VEB Shares") for 9,518,769 new ordinary shares of RM0.20 each in the Company ("Barakah Shares") on the basis of three (3) Barakah Shares for every sixty five (65) VEB Shares held at the entitlement date, together with an offer from the Company to the shareholders of VEB to subscribe for a total of 3,172,923 3.5% 5-year redeemable convertible unsecured loan stocks ("RCULS") at the issue price of RM0.20 per RCULS on the basis of one (1) RCULS for every three (3) Barakah Shares to be held.

Consequently, VEB became a wholly-owned subsidiary of the Company upon the completion of the Share Exchange on 4 October 2013.

33. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(a) On 3 May 2013, the Securities Commission Malaysia ("SC") had approved the Restructuring Scheme entered into by the Company with Vastalux Energy Berhad ("VEB"), a public company limited by shares, which would involve the Company assuming the listing status of VEB upon the completion of the Restructuring Scheme. The following stages of the Restructuring Scheme were undertaken by the Company (Cont'd):

(ii) Issuance of Shares

The Issuance of Shares involved the issuance of up to 130,000,000 new Barakah Shares to investors to be identified at an issue price of RM0.65 per share ("Issue Shares"), together with an offer from the Company to the same investors to be identified to subscribe for a total of 43,333,334 RCULS at an issue price of RM0.20 per RCULS on the basis of one (1) RCULS for every three (3) Issue Shares to be held.

The Issuance of Shares was completed on 25 October 2013.

(iii) Offer for Sale

The Offer for Sale involved an offer for sale of up to 98,500,000 Barakah Shares ("Offer Shares") by the Company's shareholders ("the Offerors") to investors to be identified at an offer price of RM0.65 per Offer Share, together with an offer from the Offerors to the same investors to be identified to subscribe for up to 32,833,334 RCULS at an issue price of RM0.20 per RCULS on the basis of one (1) RCULS for every three (3) Offer Shares to be held.

The Offer for Sale was completed on 25 October 2013.

(iv) Transfer of Listing Status

The Transfer of Listing Status involved the delisting of the entire issued and paid-up share capital of VEB from the Official List of the Main Market of Bursa Securities and the admission of the entire enlarged issued and paid-up share capital of the Company to the Official List of the Main Market of Bursa Securities upon the completion of the Share Exchange, Issuance of Shares and Offer for Sales.

The Transfer of Listing Status was completed on 6 November 2013.

(v) Disposal of VEB

Upon the completion of the Share Exchange on 4 October 2013, VEB became a wholly-owned subsidiary of the Company. As part of the Restructuring Scheme, the Company had entered into a conditional Share Sale Agreement dated 25 May 2012 with Squid Ink Sdn. Bhd. for the disposal of its entire equity interests in VEB for a nominal cash consideration of RM1.00.

The Company will not assume any liabilities (including contingent liabilities and guarantees) of VEB under the Disposal of VEB. Such liabilities and guarantees (if any) of VEB will be settled by VEB.

The Disposal of VEB was completed on 6 November 2013.

Consequently, the Restructuring Scheme was completed on 7 November 2013, following the admission of the Company's entire enlarged issued and paid-up share capital to the Official List of the Main Market of Bursa Securities on 6 November 2013 and the completion of the Disposal of VEB.

33. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(b) On 8 November 2013, PBJV, a wholly-owned subsidiary of the Company, was awarded a contract for the provision of dewatering, drying and dry preservation of 14" and 24" KBB linepipes for Kebabangan Northern Hub Development project at a contract value between RM20 million to RM25 million. The project is expected to commence during the first quarter of the financial year ending 30 September 2014 and is expected to be completed by the second quarter of the financial year ending 30 September 2014.

(c) During December 2013, PBJV, a wholly-owned subsidiary of the Company, was awarded several contracts by the oil and gas production sharing companies for the provision of transportation and installation of facilities for the years 2014 to 2016 under the Pan-Malaysia's T&I Package A project ("Contract"). The Contract includes transportation and installation of facilities such as pipelines and related equipment for offshore oil and gas fields within Malaysia and will be for a period of three (3) years commencing December 2013 to December 2016, with a one (1) year extension option.

34. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform to the presentation of the current financial year:-

	The Group		The Company	
	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000
Statements of Cash Flows (Extract):-				
Net cash (for)/from operating activities	-	-	(73)	1
Net cash from/(for) financing activities	-	-	73	(1)

35. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group and the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian institute of Accountants, as follows:-

	The Group		The Company	
	1.10.2012 To 30.9.2013 RM'000	**1.10.2011 To 30.9.2012 RM'000**	**1.10.2012 To 30.9.2013 RM'000**	**1.3.2012 To 30.9.2012 RM'000**
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- realised	162,807	110,842	(200)	(94)
- unrealised	(15,938)	(5,044)	-	-
	146,869	105,798	(200)	(94)
Add: Consolidation adjustments	77	17	-	-
At 30 September	146,946	105,815	(200)	(94)

List Of Properties

PROPERTY OWNED BY BARAKAH GROUP

No.	Name of registered owner	Approximate age of building/ Tenure/ Date of expiry of leasehold interest	Title identification/ Postal address	Description and existing use	Land area/ Built up area	Restriction in Interest/ Encumbrances	Audited net book value as at 30.09.2013
1.	Nik Hamdan Bin Daud[1]	Freehold* PT No: 3556	GM 2723, Lot No. 198, Mukim Kuala Paka, Tempat Nisan Tinggi, K. Paka, District of Dungun, Terengganu Lot 198, Jalan Kuala Terengganu Kuantan, Kg Nyior 23100, Paka Terengganu	Open yard fabrication facilities Category of land use: Industrial Malay reserve land[1]	Land area: 137,734 square feet	No restriction in interest or encumbrances Date acq: 07.07.2008	RM400,000
2.	PBJV (registered under the previous name of PBJV. Being PTIS-Baxtech JV Sdn Bhd)	Leasehold, 99 years, expiring on 12.07.2098* Gran No: 7522	PN91735, Lot No. 17895, Mukim Dengkil, District of Sepang, Selangor Lot 9504, Jalan Meranti Permai Meranti Permai Industrial Park Batu 15, 47100 Puchong Selangor	Open yard fabrication facilities Category of land use: Industrial	Land area: 44,670 square feet	The land can only be transferred, leased or charged with the consent of the State Authority of Selangor Charged to CIMB Bank Berhad (previously known as Bumiputra Commerce Bank Berhad)	RM807,280
3.	PBJV	Leasehold, 60 years, expiring on 14.08.2056	Lot 1244 Block 5 Kuala Baram Land District, in the locality of Lutong-Kuala Baram Road, Miri Sarawak (Registration Number: 04-LCLS-005-005-01244) Lot 1244, Jalan Marigold Desa Senadin 98100, Miri Sarawak	Open yard fabrication facilities Category of land use: Town land to be used as a 2-storey detached building where the ground floor is to be used for industrial purposes and the first floor to be used as office, storage cum watchmen's quarters.	Land area: 36,425 square feet	The land can only be transferred or subleased (if subleased within 5 years from 15.08.96) with the written consent of the Director of Lands and Surveys, Miri Charged to Public Bank Berhad Date acq: 15.05.2009	RM902,020
4.	PBJV (registered under the previous name of PBJV, being PTIS-Baxtech JV Sdn Bhd)	Freehold Gran No: 1061 PT No: 1095	GM 250, Lot No. 2620, Mukim Sungai Karang, Sungai Ular, District of 1 Kuantan, Pahang Located in Cherating, Pahang	Vacant land Category of land use: Agricultural feet Malay reserve land[2]	Land area: 82,647 square	No restriction in interest or encumbrances Date acq: 26.03.2004	RM80,000

List Of Properties

PROPERTY OWNED BY BARAKAH GROUP (CONT'D)

No.	Name of registered owner	Approximate age of building/ Tenure/ Date of expiry of leasehold interest	Title identification/ Postal address	Description and existing use	Land area/ Built up area	Restriction in Interest/ Encumbrances	Audited net book value as at 30.09.2013
5.	PBJV	Leasehold, 99 years, expiring on 22.01.2102 Gran No: 181276 Lot NO: Lot 23	PN 14099, Lot 1949, Seksyen 13 Bandar Shah Alam District of Petaling, Selangor No.23, Jalan Badminton, 13/29 Seksyen 13, 40100 Shah Alam Selangor	2 Storey shop office held as investment property which is currently rented out Category of land use: Building	Built up area: 3,078 square feet	The land can only be transferred, leased or charged with the consent of the State Authority of Selangor Charged to CIMB Bank Berhad Date acq: 08.01.2001	RM162,430
6.	Kemuncak Laksana Sdn Bhd (PBJV is the beneficial owner)	Leasehold, 99 years, expiring on 13.01.2102	Master Title: PM 751, Lot 19077, Mukim Setapak, Kampung Tengah Gombak, District of Gombak Kuala Lumpur (Parcel Nos. 1801 and 1802) 18-1 & 18-2, Sri Harmonis, Jalan Gombak, Kampung Tengah 53100, Kuala Lumpur	2 units of duplex apartments held as investment properties which are in the process of being rented out Category of land use: Residential building Malay reserve land[3]	Built up area: 1,938 square feet each	The land can only be transferred, leased or charged with the consent of the State Authority of Selangor Charged to Malaysian Building Society Berhad	RM778,500

Notes:

(1) The property is currently registered under the name of Nik Hamdan Bin Daud and held in trust for PBJV under a Trust Deed dated 1 January 2009. The said property is situated on a Malay reserve land. Upon the completion of the listing of Barakah, Barakah will be a publicly listed company and as such may no longer have all its members being Malays. As such, a Revocation of Trust dated 23 October 2012 has been entered into between PBJV and Nik Hamdan Bin Daud, whereby PBJV will revoke the trust created over the said property to vest both legal and beneficial ownership of the said property in Nik Hamdan Bin Daud upon payment of a cash consideration of RM700,000 being the market valuation of the Paka Land. The Revocation of Trust was completed on 19 November 2013.

(2) The property is situated on a Malay reserve land. Upon the completion of the listing of Barakah, Barakah will be a publicly listed company and as such may no longer have all its members being Malays. As such, a Sale and Purchase Agreement dated 23 October 2012 has been entered into between PBJV and Nik Hamdan Bin Daud whereby PBJV has agreed to sell the property to Nik Hamdan Bin Daud for a total cash consideration of RM110,000 being the market valuation of the land. On 19 November 2013, PBJV had received the cash consideration for the disposal of the said land and as at the date of this report, PBJV is in the midst of transferring the legal ownership from PBJV to Nik Hamdan Daud.

(3) The property is situated on a Malay reserve land. Upon the completion of the listing of Barakah, Barakah will be a publicly listed company and as such may no longer have all its members being Malays. As such, two Sale and Purchase Agreements dated 23 October 2012 has been entered into between PBJV and Dynamic Curve Sdn Bhd ("DCSB") whereby PBJV has agreed to sell and assign its ownership interest in two (2) units of duplex apartments, which are in the process of being rented out, distinguished as Parcel No. 1801 and 1811 in a housing development known as Sri Harmonis forming part of the land held under Master Title PM 751, Lot 19077, Mukim Setapak, Kampung Tengah Gombak, Daerah Gombak, Selangor Darul Ehsan for a total cash consideration of RM900,000 (RM450,000 each) being the book value of the properties. The current market value of the properties as estimated by Kumpulan Jurunilai Sdn Bhd is RM400,000 each in a valuation dated 23 October 2012. The sale and purchase is conditional upon all the requisite approvals for the Proposed Restructuring Scheme being obtained, and consents from the relevant financial institutions for the disposal. The disposal of the said duplex apartments were completed on 19 November 2013.

** Approximate age of building is not applicable as the yard does not contain any fixed structures or buildings*

*** Abbreviation: GM: Geran Mukim, PN: Pajakan Negeri, PM: Pajakan Mukim*

Group Corporate Directory

Head Office:
BARAKAH OFFSHORE PETROLEUM BERHAD (980542-H)
PBJV GROUP SDN BHD (524536-A)
No. 28, Jln PJU 5/4, Dataran Sunway, Kota Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Tel : +603 6141 8820 / 21 / 23 / 24
Fax : +603 6141 8857 / 26 / 31 / 41 / 51

PBJV GULF CO. LTD.
Suite 503, 5th FLoor Al-Mohamadia Tower,
King Abdulaziz St. Al-Khobar Saudi Arabia,
PO Box 4914, Al-Khobar 31952, Saudi Arabia.

Tel : +966 3 881 77 22
Fax : +966 3 889 85 80

PBJV Support Offices:
Kuala Lumpur
HUC OFFICE
Unit B-7-3 & B-7-4,
Block B, Megan Avenue 1,
189 Jalan Tun Razak,
50400 Kuala Lumpur.

Tel : +603 2164 8030
Fax : +603 2164 8034

Terengganu
PBJV GROUP SDN BHD
No. 4, 1st Floor, Wisma NDP,
Jln Besar Paka, 23100 Dungun,
Terengganu.

Tel : +609 827 7171
Fax : +609 827 6171

Sarawak
PBJV GROUP SDN BHD
Sublot 9, Lot 597, 1st Floor, Blok 5,
Desa Senadin KBLD, 98100 Miri,
Sarawak.

Tel : +6085 622 880
Fax : +6085 622 884

Analysis Of Shareholdings
As At 27 January 2014

SHARE CAPITAL

Authorised Share Capital	:	RM2,000,000,000.00
Issued and Paid-Up Share Capital	:	RM125,225,215.20
Class of Shares	:	Ordinary Shares of RM0.20 each
Voting Rights	:	One vote per share

ANALYSIS BY SIZE OF HOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	%
Less than 100	959	17.16	13,456	0.00
100 to 1,000	850	15.21	583,936	0.09
1,001 to 10,000	2,666	47.69	13,501,000	2.16
10,001 to 100,000	907	16.23	30,369,900	4.85
100,001 to 31,306,302 (*) (* : LESS THAN 5% OF ISSUED SHARES)	207	3.70	220,721,551	35.25
31,306,303 AND ABOVE (**) (** : 5% AND ABOVE OF ISSUED SHARES)	1	0.02	360,936,233	57.65
TOTAL	**5,590**	**100.00**	**626,126,076**	**100.00**

LIST OF SUBSTANTIAL SHAREHOLDERS

	DIRECT		INDIRECT	
NAME OF SHAREHOLDER	NO. OF SHARES	%	NO. OF SHARES	%
NIK HAMDAN BIN DAUD	360,936,233	57.65	–	–

LIST OF DIRECTORS' SHAREHOLDINGS

	DIRECT		INDIRECT	
NAME OF DIRECTORS	NO. OF SHARES	%	NO. OF SHARES	%
ABD. HAMID BIN IBRAHIM	–	–	348,000*	0.06
NIK HAMDAN BIN DAUD	360,936,233	57.65	–	–
DATUK AZIZAN BIN HAJI ABD RAHMAN	–	–	–	–
SULAIMAN BIN IBRAHIM	5	0.00^	–	–
NURHILWANI BINTI MOHAMAD ASNAWI	5	0.00^	–	–
AZMAN SHAH BIN MOHD ZAKARIA	20,611,624	3.29	–	–
RASDEE BIN ABDULLAH	–	–	–	–

* Deemed interested in shares registered in the name of his spouse
^ The percentage is negligence

List Of Top 30 Shareholders
As At 27 January 2014

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1.	NIK HAMDAN BIN DAUD	360,936,233	57.65
2.	AZMAN SHAH BIN MOHD ZAKARIA	20,611,624	3.29
3.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK)	12,000,000	1.92
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	10,470,300	1.67
5.	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	10,085,400	1.61
6.	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS PARIS FOR HENDERSON ASIA PACIFIC CAPITAL GROWTH FUND	9,463,000	1.51
7.	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR LEGG MASON WESTERN ASSET SOUTHEAST ASIA SPECIAL SITUATIONS TRUST (201061)	7,364,200	1.18
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	7,000,000	1.12
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (CIMB EQUITIES)	5,606,400	0.90
10.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	5,000,000	0.80
11.	NIK SURIANI BINTI DAUD	4,845,453	0.77
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	4,477,700	0.72
13.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOH KIN LIP (MY0502)	4,000,000	0.64
14.	CITIGROUP NOMINEES (ASING) SDN BHD GSCO FOR SAC CAPITAL ASSOCIATES, LLC	4,000,000	0.64
15.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	4,000,000	0.64

List Of Top 30 Shareholders
As At 27 January 2014

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PACIFIC VINTAGE SDN BHD	4,000,000	0.64
17.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	3,498,300	0.56
18.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	3,390,000	0.54
19.	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR JPMORGAN MALAYSIA FUND	3,149,800	0.50
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	2,500,000	0.40
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (RHB INV)	2,500,000	0.40
22.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	2,351,400	0.38
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR NUR MELIZA BT MURAD	2,140,000	0.34
24.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG LONDON (PRIME BROKERAGE)	2,055,900	0.33
25.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR YAYASAN CENDEKIAWAN MELAYU BARU	2,010,000	0.32
26.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR KOPERASI BELIA ISLAM MALAYSIA BERHAD	2,000,000	0.32
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR ASCET SDN. BHD.	2,000,000	0.32
28.	PIONEER PEGASUS SDN. BHD.	1,998,000	0.32
29.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NON PAR 1)	1,981,000	0.32
30.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	1,930,800	0.31

Analysis Of Holdings Of Redeemable Convertible Unsecured Loan Stocks ("RCULS")

As At 27 January 2014

RCULS

Total Number of RCULS Issued	:	208,021,362
Total Number of Outstanding RCULS	:	208,021,362
Issued Price of RCULS	:	RM0.20

ANALYSIS BY SIZE OF HOLDINGS OF RCULS

SIZE OF RCULS HOLDINGS	NO. OF RCULS HOLDERS	% OF RCULS HOLDERS	NO. OF RCULS HELD	% OF ISSUED RCULS
Less than 100	63	5.23	2,629	0.00
100 to 1,000	146	12.12	78,117	0.04
1,001 to 10,000	511	42.41	2,978,838	1.43
10,001 to 100,000	379	31.45	14,813,344	7.12
100,001 to 10,401,067 (*) (* : LESS THAN 5% OF ISSUED RCULS)	104	8.63	60,764,576	29.21
10,401,068 (**) (** : 5% AND ABOVE OF ISSUED RCULS)	2	0.17	129,383,858	62.20
TOTAL	**1,205**	**100.00**	**208,021,362**	**100.00**

LIST OF DIRECTORS' HOLDINGS OF RCULS

NAME OF DIRECTORS	DIRECT NO. OF SHARES	DIRECT %	INDIRECT NO. OF SHARES	INDIRECT %
ABD. HAMID BIN IBRAHIM	–	–	116,000*	0.06
NIK HAMDAN BIN DAUD	–	–	–	–
DATUK AZIZAN BIN HAJI ABD RAHMAN	–	–	–	–
SULAIMAN BIN IBRAHIM	–	–	–	–
NURHILWANI BINTI MOHAMAD ASNAWI	–	–	–	–
AZMAN SHAH BIN MOHD ZAKARIA	116,000	0.06	–	–
RASDEE BIN ABDULLAH	–	–	–	–

* Deemed interested in shares registered in the name of his spouse

List Of Top 30 Holders Of RCULS

As At 27 January 2014

NO.	NAME OF RCULS HOLDERS	NO. OF RCULS	%
1.	MAYBANK NOMINEES (ASING) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	68,205,858	32.79
2.	UOBM NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD (CLIENT A/C 1)	61,178,000	29.41
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	7,909,417	3.80
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH TEIK CHAY	4,327,169	2.08
5.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR UNITED POWER GROUP HOLDINGS LIMITED (001)	3,045,700	1.46
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR KOPERASI BELIA ISLAM MALAYSIA BERHAD	2,775,746	1.33
7.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	2,639,200	1.27
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LOKE TAN CHUNG (MY0585)	2,600,000	1.25
9.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR HUSSIN BIN OTHMAN (M73123)	2,200,000	1.06
10.	NIK SURIANI BINTI DAUD	1,615,151	0.78
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR ASCET SDN. BHD.	1,166,667	0.56
12.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	1,027,400	0.49
13.	FAJAR KINABALU SDN BHD	1,023,000	0.49
14.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT)	1,000,000	0.48
15.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR NUR MELIZA BT MURAD	1,000,000	0.48

NO.	NAME OF RCULS HOLDERS	NO. OF RCULS	%
16.	GAN BOON AIK	971,000	0.47
17.	SAW CHAI SOON	817,000	0.39
18.	MOHAMAD HASIF BIN MOHD NAHAR	801,483	0.39
19.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BENG TECK (CEB)	740,000	0.36
20.	CHEAH SEE HAN	730,000	0.35
21.	TAN AH LOY @ TAN MAY LING	730,000	0.35
22.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD EXEMPT AN FOR ADS SECURITIES, LLC.	707,400	0.34
23.	PIONEER PEGASUS SDN. BHD.	666,000	0.32
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR YAYASAN CENDEKIAWAN MELAYU BARU	598,000	0.29
25.	TEY HOCK SENG	540,000	0.26
26.	HUI SOON OI @ SUN OI	536,000	0.26
27.	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN (M14)	520,700	0.25
28.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN TONG YEE	502,200	0.24
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA ENHANCEDINCOME FUND (211887)	501,200	0.24
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YEOH ENG HUA (PB)	500,000	0.24

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the SECOND Annual General Meeting of Barakah Offshore Petroleum Berhad will be held at Tiara Rini Ballroom, Level 1, Royale Bintang The Curve, 6 Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 19 March 2014 at 11.00 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 September 2013 together with the Directors' and Auditors' Reports thereon. (Please refer to Note 1 of the Explanatory Notes)

2. To approve the payment of Directors' fees of RM380,385 for the financial year ended 30 September 2013. Ordinary Resolution 1

3. To re-elect the following Directors of the Company who are retiring in accordance with Article 86 of the Articles of Association of the Company:-

   (i) Encik Sulaiman Bin Ibrahim Ordinary Resolution 2

   (ii) Puan Nurhilwani Binti Mohamad Asnawi Ordinary Resolution 3

4. To re-elect Datuk Azizan Bin Haji Abd Rahman who is retiring under Article 92 of the Articles of Association of the Company. Ordinary Resolution 4

5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5

As Special Business

To consider and, if thought fit, to pass the following Resolutions:

6. **AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES**

   "THAT, pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all relevant Regulatory Authorities being obtained for such allotment and issuance." Ordinary Resolution 6

7. **PROPOSED SHAREHOLDERS' RATIFICATION FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' RATIFICATION")**

   "That all the recurrent related party transactions entered into by the Company and its subsidiaries with the related parties, as set out in Section 2.4 of the Circular to Shareholders dated 25 February 2014, from 6 November 2013 to the date of the Second Annual General Meeting, which were undertaken in the ordinary course of business, on normal commercial terms which were not more favourable to the related parties than those generally available to the public and were not detrimental to the minority shareholders of the Company, be and are hereby approved and ratified.

And that all the actions taken and the execution of all necessary documents by the Directors of the Company as they had considered expedient or deemed fit in the interest of the Company, be and are hereby approved and ratified." Ordinary Resolution 7

8. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

"That subject to the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 25 February 2014, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the Company and its subsidiaries, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

That such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

And that the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate." Ordinary Resolution 8

9. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix 1 attached with the Annual Report for the financial year ended 30 September 2013 be and are hereby approved. Special Resolution

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
PENG SIEW HWEE (LS 0009707)
Secretaries

Date: 25 February 2014

Notice Of Annual General Meeting

Notes:

1. A member entitled to attend and vote at a meeting of the Company may appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company.

2. Where a member appoints two (2) proxies to attend at the same meeting, he shall specify the proportion of his shareholdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 12 March 2014 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

Explanatory Notes:

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting.**

2. Ordinary Resolution 6
Resolution pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 6 proposed under item 6 of the Agenda, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any fund raising activities, including but not limited to further placement of shares, for purpose of funding future investments or undertaking(s), working capital and/or acquisitions.

If there should be a decision to issue new shares pursuant to this mandate, the Company will make an announcement in respect thereof.

3. Ordinary Resolution 7
Proposed Shareholders' Ratification

The Ordinary Resolution 7 proposed under item 7 of the Agenda, if passed, will ratify all the recurrent related party transactions entered into by the Company and its subsidiaries from 6 November 2013 to the date of Second Annual General Meeting.

4. Ordinary Resolution 8
Proposed Shareholders' Mandate

The Ordinary Resolution 8 proposed under item 8 of the Agenda, if passed, will benefit the Company by facilitating the Company and its subsidiaries to enter into transactions with Related Parties specified in Section 2.4 of the Circular to Shareholders dated 25 February 2014 in the ordinary course of the Company and its subsidiaries' business, on normal commercial terms, in a timely manner and will enable the Company and its subsidiaries to continue to carry out recurrent related party transactions necessary for the Company and its subsidiaries' day-to-day operations.

Details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 25 February 2014 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2013.

5. Special Resolution
Proposed Amendments to the Articles of Association

The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities and to further enhance administrative efficiency of the Company.

Proposed Amendments To The Articles Of Association

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Articles	Amended Articles
To amend Article 2	WORDS MEANINGS *New definition*	WORDS MEANINGS <u>Share Issuance Scheme</u> <u>means a scheme involving a new issuance of shares to the employees.</u>
To add Article 67A	*(New Provision)*	<u>Chairman to promote orderly conduct of the business of all general meetings</u> <u>Without prejudice to any other power which the Chairman may have under the provisions of these Articles or at common law and subject to the Act and the Listing Requirements, the Chairman may take such action as he thinks fit to promote the orderly conduct of the business of all general meetings as specified in the notice of such meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature.</u>
To amend Article 70	Poll to be taken If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meetings at which the poll was demanded, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. The demand for a poll shall not prevent the continuance of a meeting for a transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may in addition to the powers of adjourning meetings contained in Article 68 adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.	Poll to be taken If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meetings at which the poll was demanded, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith <u>at the meeting and without adjournment</u>. The demand for a poll shall not prevent the continuance of a meeting for a transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may in addition to the powers of adjourning meetings contained in Article 68 adjourn the meeting to <u>such</u> place and time fixed for the purpose of declaring the result of the poll. <u>The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineers, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided on poll.</u>

Proposed Amendments To The Articles Of Association

Article No.	Existing Articles	Amended Articles
To amend Article 78	Number of proxy A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy and only one (1) of those proxies is entitled to vote on a show of hands. A proxy appointed to attend and vote at a meeting shall have the same rights as the member speak at the meeting. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.	Number of proxy A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
To amend Article 94	Directors' fee The fees payable to the Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as that Directors may determine provided always that:- (a) fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage turnover; (b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and (c) any fee paid to an Alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.	Directors' fee The fees payable to the Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine provided always that:- (a) fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of profits or turnover; (b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and (c) any fee paid to an Alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Proxy Form

BARAKAH OFFSHORE PETROLEUM

BARAKAH OFFSHORE PETROLEUM BERHAD (980542-H)
(Incorporated in Malaysia)

CDS account no. of authorised nominee	No. of shares held

I/We, ____________________ IC No./ID No./Company No.____________________

of ____

being a member of BARAKAH OFFSHORE PETROLEUM BERHAD hereby appoint ____________________

IC No./ID No. ____________________ of ____________________

or failing him/her, ____________________ IC No./ID No. ____________________

of ____

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote and act for me/us, and on my/our behalf at the Second Annual General Meeting of the Company to be held at Tiara Rini Ballroom, Level 1, Royale Bintang The Curve, 6 Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 19 March 2014 at 11.00 a.m. and at any adjournment thereof.

** Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.*

My/our proxy is to vote as indicated below :

	Resolutions	**For**	**Against**
	Ordinary Business		
Ordinary Resolution 1	Approval of the payment of Directors' fees of RM380,385 for the financial year ended 30 September 2013		
Ordinary Resolution 2	Re-election of Encik Sulaiman Bin Ibrahim as Director		
Ordinary Resolution 3	Re-election of Puan Nurhilwani Binti Mohamad Asnawi as Director		
Ordinary Resolution 4	Re-election of Datuk Azizan Bin Haji Abd Rahman as Director		
Ordinary Resolution 5	Re-appointment of Messrs Crowe Horwath as the Company's Auditors and to authorise the Directors to fix their remuneration		
Ordinary Resolution 6	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares		
Ordinary Resolution 7	Proposed Shareholders' Ratification for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Special Resolution	Proposed Amendments to the Articles of Association		

Please indicate with an "X" in the spaces provided, how you wish your votes to be cast.
If you do not do so, the proxy will vote or abstain from voting at his discretion.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

____
Signature/Common Seal

Date:____________________

NOTES :

1. A member entitled to attend and vote at a meeting of the Company may appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company.
2. Where a member appoints two (2) proxies to attend at the same meeting, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 12 March 2014 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Secretary
BARAKAH OFFSHORE PETROLEUM BERHAD (980542-H)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor Darul Ehsan

1st Fold Here