



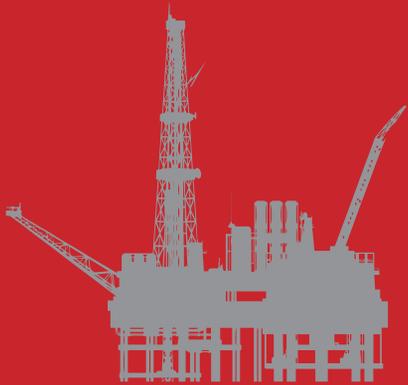
 **BARAKAH**
OFFSHORE PETROLEUM

DELIVERING VALUE

annual report 2014

FACTS AT A GLANCE

4 Pillars:



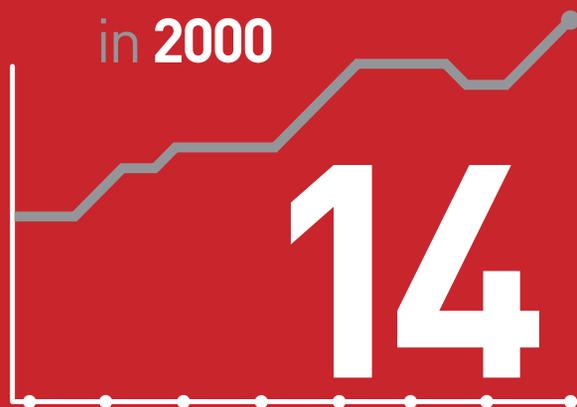
- Pipeline Services
- Offshore Transportation & Installation
- EPCC Onshore Pipeline & Construction
- Hook-Up & Commissioning



Delivered an aggregate

RM2.7 billion*
Project Since Inception

Started Business
in 2000



Years of
proven
track record

Next
2 Years
Good revenue
visibility from
secured
orderbook





Outstanding
orderbook*

RM**2.0** billion

494 staff*

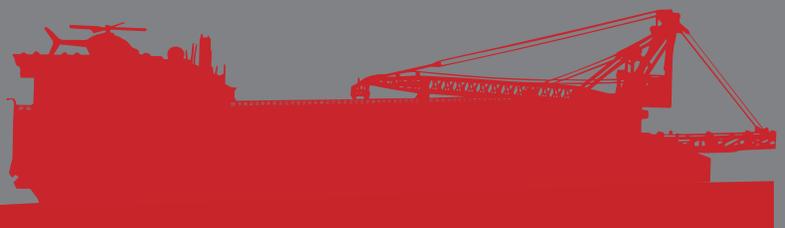
75%
operations



**Senior
Management**
average 18 years
experience

Service Focused and
Asset Light business model
with fit for purpose

Strategic Asset
KL101



* As at 31 December 2014

A photograph of an offshore oil rig deck. In the foreground, a large green pipe is mounted on a metal stand. In the background, two large blue cranes are visible, and the rig's structure extends upwards. The sky is blue with some clouds.

ACHIEVEMENTS

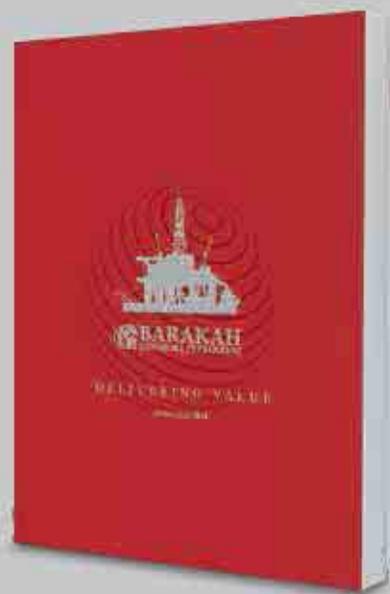
Health, Safety & Environment ("HSE")

10.3 million man-hours
with zero LTI
(2007-April 2014)

Kebabangan Topside Installation

Heaviest topside installed
in Malaysia

OUR
COMMITMENT
IS OUR **STRENGTH**



Delivering Value

We're all about delivering value in every aspect of our business. Led by a team of experts, we work diligently to help our clients achieve their goals. We consistently seek opportunities to deliver sustainable growth and generate better value for our shareholders. Believing that success should be built upon, we will keep challenging ourselves to further evolve as a premier integrated solutions provider to the oil and gas industry.

WHAT'S **INSIDE**

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ABOUT US

Barakah Offshore Petroleum Berhad (“Barakah” or “Company”) was incorporated in Malaysia in March 2012 as an investment holding company for PBJV Group Sdn Bhd (“PBJV”) and its subsidiary companies (collectively referred to as “Barakah Group” or “Group”).

The business of PBJV started in August 2000 in offshore pipeline services. PBJV was recognised as the best service provider for pipeline services by Petronas in 2012 for its excellent services. Being focused and committed in this ever-challenging industry and consistently striving to be the best, are the key success factors of the company.

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

In 2009, as part of its expansion strategy to strengthen its offshore installation services, PBJV commissioned the construction of its 137 meter length pipe-lay accommodation barge, known as “KOTA LAKSAMANA 101”. With this barge ownership, PBJV is able to undertake bigger and more challenging offshore pipeline activities. Barakah Group is poised to be a “one-stop centre” as an integrated offshore transportation and installation service provider and a key player in the oil and gas industry.

With its depth of experience and strength, Barakah Group is positively gaining momentum towards its vision ‘TO BE THE PREMIER INTEGRATED SOLUTIONS PROVIDER IN THE OIL AND GAS INDUSTRY’. The Group is capable to undertake more technically challenging works and has set its sight to expand its business activities in Malaysia and beyond.

An aerial photograph of an offshore oil rig at sea. The rig is a large, rectangular platform with a green deck and a yellow helipad. The helipad has the name 'KOTA LAKSANA 01' and the number '229' written on it. The rig is surrounded by several other smaller platforms and structures in the distance. The sky is blue with white clouds, and the water is a deep blue.

OUR VISION

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

OUR MISSION

Committed to ensure high quality and innovative solutions without compromising safety

OUR MILESTONES

2014 • Heaviest top-side installed in Malaysia | • 10.3 million man-hours without Lost-Time Injury ("LTI")

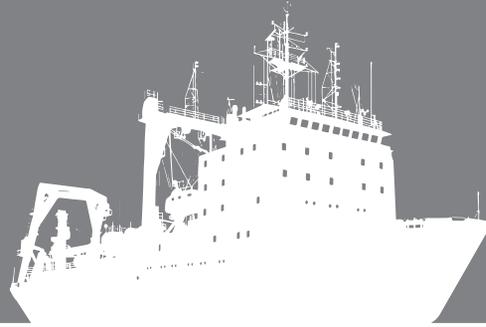
2013 • Turnkey main contractor for Transportation & Installation and Hook-Up & Commissioning

2009 • Started Hook-Up & Commissioning business | • Started KL 101 Construction and completed in September 2012

2006 • Started Transportation & Installation business as sub-contractor

2000 • Started business as Pipeline Pre-commissioning services specialist

BUSINESS ACTIVITIES



Offshore Transportation and Installation

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

Topside Major Maintenance & Hook-up & Commissioning

- Onshore pre-fabrication work for structural steel and process piping
- Offshore Hook-up, Tie Ins and Commissioning of pre-fabricated structural steel, process piping, mechanical equipment, electrical system and instrument control system for topside of offshore oil & gas production facilities
- Maintenance of offshore facilities
- Blasting and Painting work

EPCC Onshore Pipeline and Construction

- EPCC of Onshore Gas Transmission Pipeline
- Mechanical and Piping Erection for onshore process plant
- Minor Fabrication services
- Shutdown Maintenance Services
- EPCC of small to medium size process facilities

Pipeline Services

Pre-commissioning, Commissioning & De-commissioning:

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

De-commissioning

- Pipeline, Structure and Topside
- Preservation and Abandonment

Ship Management & Chartering

- Pipe Lay Barge
- Derrick Lay Barge
- Accommodation Work Barge
- Work Boat

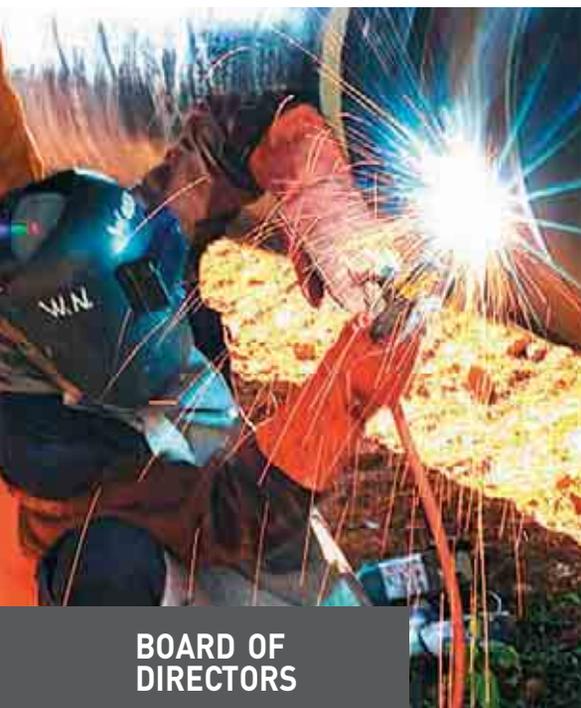
Underwater Services

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

Automation and Control Solutions

- Conceptual & Detailed Design
- Construction & Installation
- Commissioning
- Training

CORPORATE INFORMATION



BOARD OF DIRECTORS

Dato' Mohamed Sabri Mohamed Zain
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

AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Azizan Abd Rahman
Chairman

Dato' Mohamed Sabri Mohamed Zain
Sulaiman Ibrahim

NOMINATION & REMUNERATION COMMITTEE

Sulaiman Ibrahim
Chairman

Dato' Mohamed Sabri Mohamed Zain
Nurhilwani Mohamad Asnawi

EXECUTIVE COMMITTEE

Nik Hamdan Daud
Chairman

Syed Abdul Rahim Syed Jaafar

Azman Shah Mohd Zakaria

Rasdee Abdullah

Firdaus Edmin Mokhtar

ESOS COMMITTEE

Sulaiman Ibrahim
Chairman

Rasdee Abdullah

Nurhilwani Mohamad Asnawi

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

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

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

Shariah-Compliant

Ordinary Shares
Stock Name BARAKAH
Stock Code: 7251

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

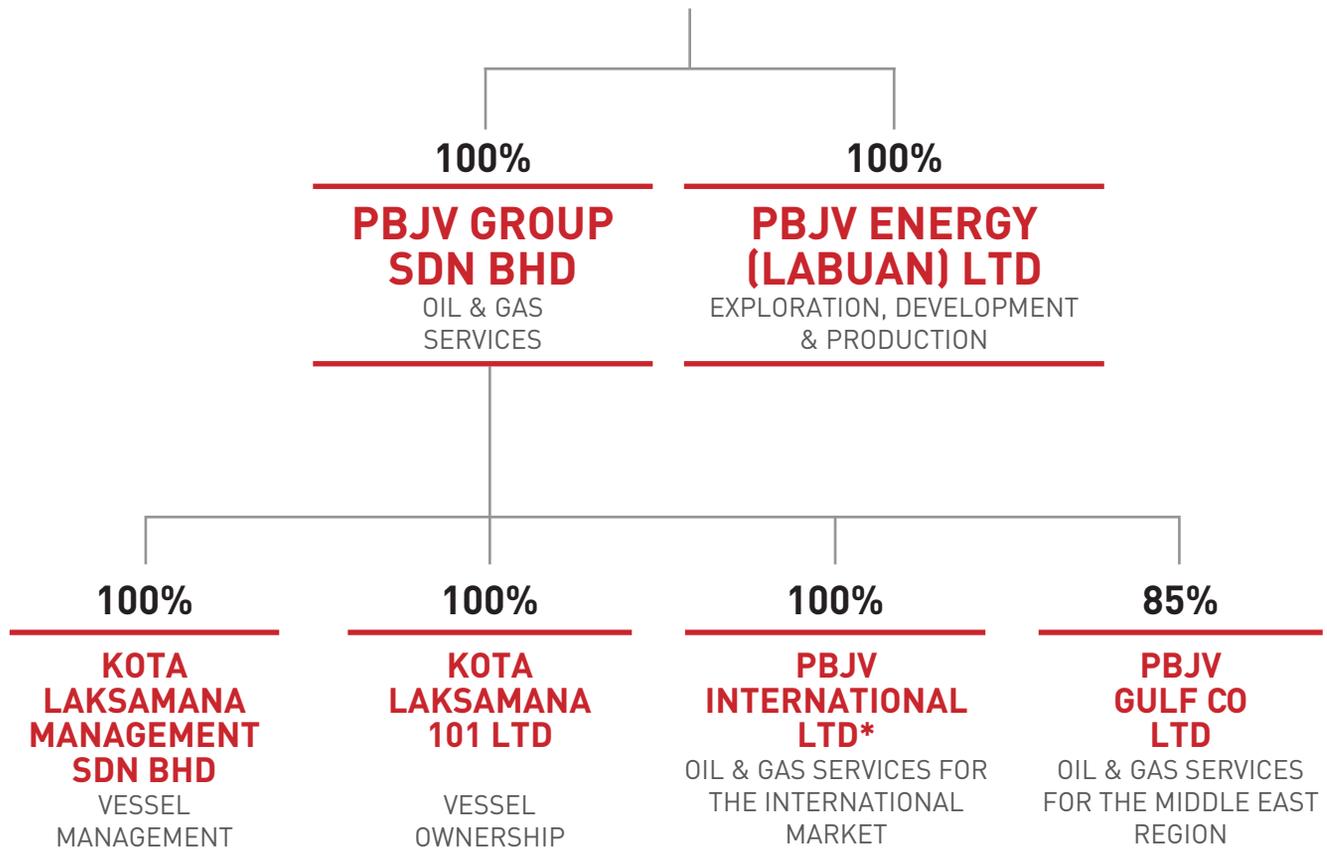
Malayan Banking Berhad
Export-Import Bank of Malaysia Berhad
Affin Bank Berhad
AmBank (M) Berhad

CORPORATE STRUCTURE

AS AT 31 MARCH 2015



At 31 March 2015, Barakah Offshore Petroleum's market capitalisation was RM683 million.



* Previously, PBJV Group Ltd.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

REVENUE

RM949 million

2013: RM299 million

PROFIT BEFORE TAXATION

RM108 million

2013: RM58 million

PROFIT AFTER TAXATION

RM80 million

2013: RM41 million

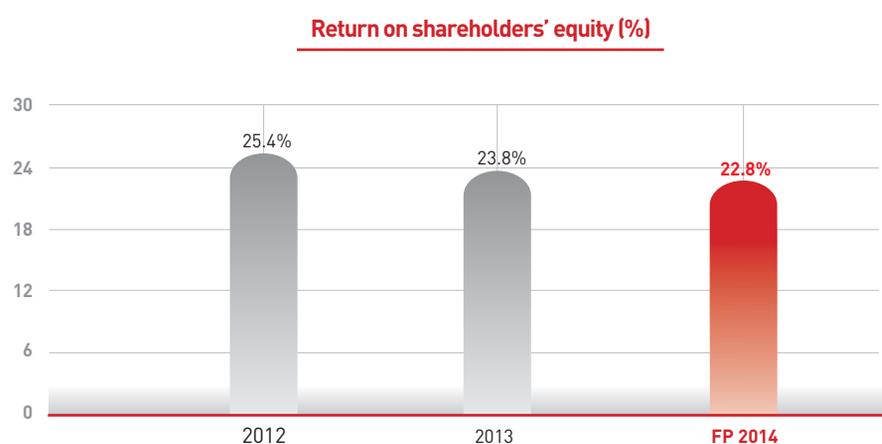
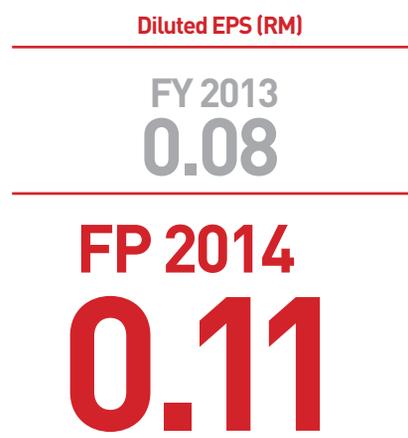
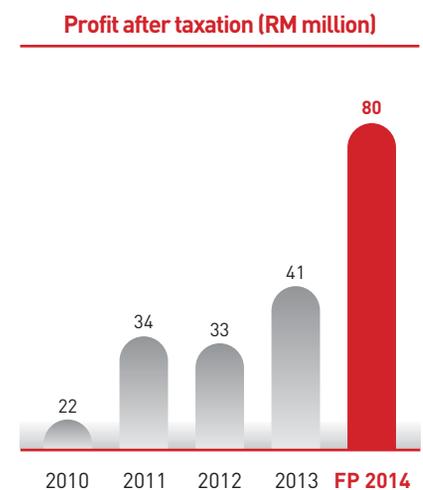
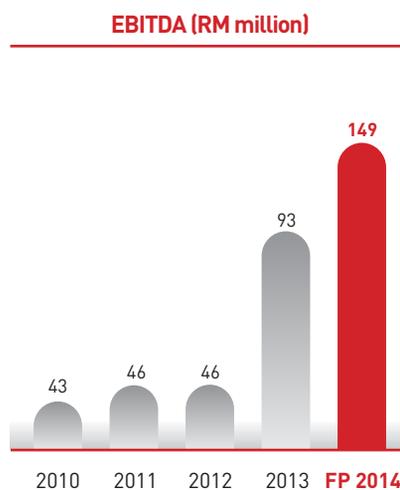
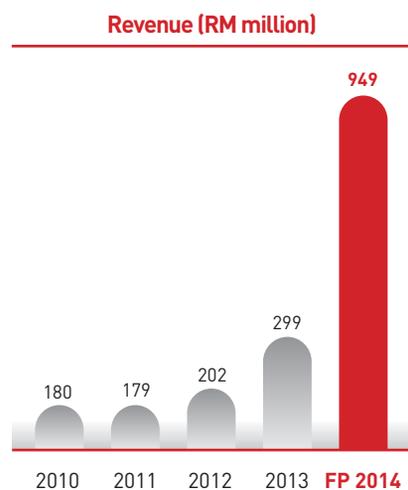
Effective involvement of founding members and management combined with good teamwork at all working levels yielded in a good set of financial results for Financial Period 2014.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Year ("FY")	2010 (RM'000)	2011 (RM'000)	2012 (RM'000)	2013 (RM'000)	FP 2014 (RM'000)
Revenue	179,850	178,583	201,956	298,901	949,037
EBITDA	42,651	46,166	46,118	93,272	149,446
Profit before taxation	35,884	39,717	39,451	57,621	107,863
Profit after taxation	22,463	34,227	33,214	41,103	80,226
Total assets	292,946	407,487	415,094	470,886	760,009
Shareholders' equity	63,361	97,584	130,812	172,946	351,913
Return on shareholders' equity (%)	35.5%	35.1%	25.4%	23.8%	22.8%
Basic EPS (RM)	0.90	1.37	0.07	0.08	0.13
Diluted EPS (RM)	n.a.	n.a.	n.a.	0.08	0.11

Note:

FP-Financial Period from 1 October 2013 to 31 December 2014
Prior to FP 2014, Financial Year ended 30 September



from left

Datuk Azizan Abd Rahman
Independent Non-Executive Director

Azman Shah Mohd Zakaria
Executive Director

Rasdee Abdullah
Executive Director

Nik Hamdan Daud
Deputy Executive Chairman/ Founder

Dato' Mohamed Sabri Mohamed Zain
Independent Non-Executive Chairman

Nurhilwani Mohamad Asnawi
Independent Non-Executive Director

Sulaiman Ibrahim
Senior Independent
Non-Executive Director



BOARD OF DI



RECTORS

BOARD OF DIRECTORS PROFILE

		
Name	DATO' MOHAMED SABRI MOHAMED ZAIN	NIK HAMDAN DAUD
Age	59	48
Nationality	Malaysian	Malaysian
Position	Independent Non-Executive Chairman	Deputy Executive Chairman/ Founder
Year appointed	7 July 2014	1 March 2012
Qualifications	Bachelor of Science in Petroleum Engineering, University of Wyoming, USA	Bachelor of Science in Electrical/ Electronic Engineering, Worcester Polytechnic Institute MA, USA Qualified Gas Pipeline Licensed Contractor, Energy Commission of Malaysia
Professional affiliation	Nil	Nil
List of other directorship	Sona Petroleum Bhd	Private Limited Company(ies)
Any family relationship with any Director and/or major shareholder of Barakah	No	Yes
Own and related party holdings in Barakah 2014	No	Yes
Audit and Risk Management Committee	Yes	No
Nomination and Remuneration Committee	Yes	No
ESOS Committee	No	No
Previous experience	1978 Petroleum Engineer, PETRONAS 1980 Petroleum Engineer, PETRONAS Carigali 1991-1994 Petroleum Engineering Manager, PETRONAS Carigali Mid 1995 Manager, Ruby Oil Field Development Project in Vietnam 1996-2000 General Manager, Vietnam Operations based in Vietnam 2000-2004 General Manager, PETRONAS Carigali Development Division 2004-Apr 2006 General Manager for Middle East and Asia Region 2006-2008 General Manager for International Operations, PETRONAS Carigali's International operations in Vietnam, Indonesia, Myanmar, Pakistan, Turkmenistan, Uzbekistan, Malaysia-Thailand JDA and Sudan 2008-Oct 2010 Vice President, White Nile Petroleum Operating Company, Sudan (WNPOC) Oct 2010-Dec 2012 Vice President, Offshore Business Unit, MISC Bhd Jan 2013-Apr 2014 President of Puncak Oil and Gas Sdn Bhd & President of GOM Resources Sdn Bhd	1989-1991 Test Engineer, Motorola Sdn Bhd 1991-1996 Quality Control and Corrosion Engineer, ESSO Production Malaysia Inc 1996-2000 Managing Director, Pipetronix Sdn Bhd 2000-2011 Managing Director, PBJV Group Sdn Bhd 2011-2013 President & Chief Executive, PBJV Group Sdn Bhd
Current position	Chief Executive Officer, Yinson Energy Sdn Bhd Independent Non-Executive Chairman, Barakah Offshore Petroleum Bhd	Deputy Executive Chairman, Barakah Offshore Petroleum Bhd Founder & Executive Chairman, PBJV Group Sdn Bhd

BOARD OF DIRECTORS PROFILE

		
Name	SULAIMAN IBRAHIM	DATUK AZIZAN ABD RAHMAN
Age	55	59
Nationality	Malaysian	Malaysian
Position	Senior Independent Non-Executive Director	Independent Non-Executive Director
Year appointed	1 March 2012	15 April 2013
Qualifications	Bachelors Degree in Civil Engineering, University Malaya	Bachelor Degree in Accounting, University Malaya Masters in Business Administration, University of Queensland, Australia
Professional affiliation	Nil	Fellow Member of CPA (Australia) Chartered Accountant of the Malaysian Institute of Accounts
List of Other directorship	Private Limited Company(ies)	<ol style="list-style-type: none"> 1. Bank Simpanan Nasional Bhd* 2. Permodalan BSN Bhd* 3. MIDF Bhd* 4. MIDF Amanah Investment Bank Bhd* 5. Kensington Trust Labuan Ltd* 6. Kensington Trust Malaysia Bhd* 7. Malaysian Rating Corporation Bhd* 8. Gibraltar BSN Life Insurance Bhd*
Any family relationship with any Director and/ or major shareholder of Barakah	No	No
Own and related party holdings in Barakah 2014	No	No
Audit and Risk Management Committee	Yes	Yes
Nomination and Remuneration Committee	Yes	No
ESOS Committee	Yes	No
Previous experience	1986-2011 PETRONAS Carigali	1979-2005 i. Several positions in the areas of finance, examination and supervision, and the Director of the Banking Supervision Department, Bank Negara ii. Board Member of several government bodies – Kumpulan Wang Amanah Pencen and ERF Sdn Bhd, and Advisor to the Malaysian Accounting Standard Board 2006-2011 i. Director-General of Labuan Financial Services Authority ii. Members of several boards – Labuan Corporation and Financial Park (Labuan) Sdn Bhd iii. Executive Committee Member of Malaysian Islamic Finance Committee
Current position	Senior Independent Non-Executive Director, Barakah Offshore Petroleum Bhd	Independent Non-Executive Director, Barakah Offshore Petroleum Bhd Director of Companies marked (*) above

BOARD OF DIRECTORS PROFILE

		
Name	AZMAN SHAH MOHD ZAKARIA	RASDEE ABDULLAH
Age	50	44
Nationality	Malaysian	Malaysian
Position	Executive Director	Executive Director
Year appointed	14 May 2012	14 May 2012
Qualifications	Higher Diploma in Mechanical and Manufacturing Engineering and BTEC Diploma in Mechanical and Manufacturing Engineering, Wigan and Leigh Technical College (Salford University), Greater Manchester, UK Qualified Gas Pipeline Licensed Contractor, Energy Commission of Malaysia	Bachelor of Science in Mechanical Engineering, University of Tulsa, Oklahoma, USA
Professional affiliation	Nil	Nil
List of other directorship	Private Limited Company(ies)	Private Limited Company(ies)
Any family relationship with any Director and/ or major shareholder of Barakah	No	No
Own and related party holdings in Barakah 2014	Yes	No
Audit and Risk Management Committee	No	No
Nomination and Remuneration Committee	No	No
ESOS Committee	No	Yes
Previous experience	1988 Aircraft Technician, AIROD Sdn Bhd 1994 Project Engineer, Sukitronics Sdn Bhd 1995-1998 Lead Engineer, Projass Engineering Sdn Bhd 1998 Operation Manager, PTIS (M) Sdn Bhd – headed the pre-commissioning and commissioning projects 2000-2013 General Manager, PBJV Group Sdn Bhd – led pre-commissioning and commissioning, transportation and installation, onshore pipeline and HUC projects Jul 2013- Nov 2014 President & Chief Executive, PBJV Group Sdn Bhd	1994 Mechanical Engineer, Drexel Bakti Oilfield Sdn Bhd 1995-1996 Project Engineer, MMC Engineering & Services Sdn Bhd 1997-2000 Project Engineer, Shapadu Energy and Engineering Sdn Bhd 2000-2003 Construction Superintendent, Ranhill Engineers and Constructors Sdn Bhd 2003-2011 Operations Director, Baxtech Resources Sdn Bhd 2011-2014 Vice President Operations, PBJV Group Sdn Bhd
Current position	President & Chief Executive, International Operations, Barakah Group Executive Director, Barakah Offshore Petroleum Bhd	President & Chief Executive, PBJV Group Sdn Bhd Executive Director, Barakah Offshore Petroleum Bhd

BOARD OF DIRECTORS PROFILE

		
Name	NURHILWANI MOHAMAD ASNAWI	
Age	40	
Nationality	Malaysian	
Position	Independent Non-Executive Director	
Year appointed	1 March 2012	
Qualifications	Bachelor Degree, University (Institute) Technology Mara	
Professional affiliation	Chartered Accountant of Malaysian Institute of Accountants	
List of other directorship	Nil	
Any family relationship with any Director and/ or major shareholder of Barakah	No	
Own and related party holdings in Barakah 2014	No	
Audit and Risk Management Committee	No	
Nomination and Remuneration Committee	Yes	
ESOS Committee	Yes	
Previous experience	1999-2000 Accounts Supervisor, Konsortium Perkapalan Bhd 2000-current Accountant, LARAS Architects Sdn Bhd	
Current position	Accountant, LARAS Architects Sdn Bhd Independent Non-Executive Director, Barakah Offshore Petroleum Bhd	



FOCUS

We are focused on becoming a specialist in each of our line of business. At the same time, we continue to grow across our business segments and offer more integrated and cost effective solutions to our customers.



Dear Shareholders,

2014 marked the first full year for Barakah Offshore Petroleum Berhad (“Barakah”) as a public listed company and we are delighted to mark our first year presence on Bursa Malaysia by reporting a good set of results.

We started the year with an outstanding orderbook valued at an all-time high of RM2.2 billion, giving us clear revenue visibility until 2018, and a bidbook of RM2.0 billion. Revenue for the financial period (“FP”) 2014 rose to RM949.0 million, representing an increase of 3.2 times over the RM298.9 million we reported in the previous financial year (“FY”). Profit before tax grew by 1.9 times to RM107.9 million, while profit after tax for the year almost doubled to RM80.3 million.

Throughout 2014, we worked hard to reinforce the trust we have built up over the years with our clients by executing and delivering projects on schedule and within budget. Besides being busy working on contracts in hand, we continued to actively pursue new contract opportunities both in domestic and overseas markets.

In 2014, we performed our role as a main turnkey contractor in both the offshore and onshore oil and gas services sector. For the offshore segment, a major highlight was our topside installation for the Keabangan Northern Hub Project in Sabah for Keabangan Petroleum Operating Company (“KPOC”). Weighing around 20,000 tonnes, the topside was the heaviest topside installation by float-over method in Malaysia. Our contract for Pan Malaysia Transportation & Installation Package A (“Pan

Malaysia T&I Package A”) drove significant offshore activities for us. For the onshore segment, we executed two major Engineering, Procurement, Construction and Commissioning (“EPCC”) projects – the EPCC of Prai 2 Lateral Gas Pipeline (“PRISM”) in Prai and the Biodiesel Facilities Project in East Malaysia. The 22km PRISM Project was the first major onshore gas transmission pipeline job for us. We completed the job on time and with no lost time injury (“LTI”). We at Barakah pay close attention to detailed project planning and management. The hands-on involvement of management, including our founder Nik Hamdan Daud, and cohesive teamwork at all working levels contributed to the efficiency, reliability, safety and quality of all aspects of the project’s delivery.

In this competitive arena, our brand vision “To be the Premier Integrated Solutions Provider to the Oil and Gas Industry” and our brand mission of being “Committed to Ensure High Quality and Innovative Solutions without Compromising Safety” remain as our guiding principles to bring us to greater heights.

On behalf of Barakah’s Board of Directors and management, we are pleased to present our Annual Report and audited financial statements for the FP 2014.

STATEMENT TO

SHAREHOLDERS

BY THE CHAIRMAN AND PRESIDENT & CHIEF EXECUTIVE



Syed Abdul Rahim Syed Jaafar
President & Chief Executive



Dato' Mohamed Sabri Mohamed Zain
Chairman

DEERS

STATEMENT TO SHAREHOLDERS

FINANCIAL PERFORMANCE

FP 2014 Key Financials at a Glance

- Revenue of RM949.0 million is over three-fold increase from FY 2013 level.
- Earnings before interest, taxes, depreciation and amortisation ("EBITDA") reached RM149.4 million, 1.6 times higher than FY 2013 figure.
- Profit before tax climbed by 1.9 times to RM107.9 million
- Profit after tax almost doubled to RM80.2 million.

The main contributor to our strong financial performance in 2014 was the Pan Malaysia T&I Package A, in which we executed five work packages during the period. Other significant contributors included the Pan Malaysia Hook-Up and Commissioning and Topside Major Maintenance in Malaysia ("HUC & TMM") for Petrofac, Talisman and Sapura Kencana Energy ("SK Energy"), the EPCC of Prai 2 Lateral Gas Pipeline for PETRONAS Gas and the contract from PETRONAS Dagangan for the EPCC of Biodiesel Storage and Blending Facilities in East Malaysia.

3+1 year
Pan Malaysia T&I
contract to keep us
busy up to 2017



■ Dalak-Push-pull activity nearshore towards Sipitang, Sabah

STATEMENT TO SHAREHOLDERS

Dividends

For the FP 2014, the Board of Directors announced a first and final dividend of 2 sen per share. This will amount to up to RM17.0 million, which represents about 21% of the profit after tax for the FP 2014.

As a growing company, Barakah does not have a dividend policy. But the Company is committed to review the dividend payout ratio each year. Given our long-term ambition to expand the range of services we offer to the oil and gas industry, we need to reinvest our earnings to fund our growth. At the same time, we acknowledge the need to strike a balance between capitalising the company for the future and rewarding our valued shareholders with cash returns on their investments.

We completed 714km in length pipeline pre-commissioning projects, valued at more than RM220 million. This was another record for us



REVIEW OF OPERATIONS

In 2014, we have successfully proven our execution ability by delivering projects on a timely basis and in a safe manner.

We are particularly proud of successfully delivering five projects under the Pan Malaysia T&I Package A contract from May to December 2014, mainly for PETRONAS Carigali Sdn Bhd ("PCSB"). In addition, we carried out various HUC & TMM projects valued at close to RM140 million for Petrofac, Talisman and SK Energy which reinforced our growing offshore capabilities. Our good track record in the Pan Malaysia HUC & TMM contract contributed to us winning an additional HUC project for Lundin. In terms of pipeline pre-commissioning projects, we completed 714km in length pipeline pre-commissioning projects, valued at more than RM220 million. This was another record for us.

In 2014, we secured over RM300 million worth of new contracts. The bigger ones include the EPCC of Pengerang Pipeline from PETRONAS Gas, the EPCC of Biodiesel Facilities in East Malaysia from PETRONAS Dagangan and the HUC from Lundin.

STATEMENT TO SHAREHOLDERS

PIPELINE AND COMMISSIONING SERVICES

For the FP 2014, the pipeline and commissioning services division generated RM374.1 million or 39.4% of our revenue, arising from steady contributions from Pre-Commissioning, Commissioning and De-Commissioning segment and also Hook-Up and Commissioning and Topside Major Maintenance services.

- **Pre-Commissioning, Commissioning and De-Commissioning ("Pipeline Services")**

Since its inception in 2000, our Pipeline Services segment has made a consistently strong contribution to Barakah's financial performance. FP 2014 was no exception. We continued to lead the domestic market, serving a good mix of clients that include oil companies and other service contractors.

Our Pipeline Services in new pipeline development include cleaning and pigging, gauging, flooding, hydro testing, de-watering, drying and nitrogen testing. For pipeline de-commissioning and maintenance services, we cover flushing, de-gassing, de-oiling, preservation and abandonment. We were also involved in intelligent pigging for new pipelines and for regular pipeline maintenance programme.

In February 2015, Barakah sealed a new contract from PCSB to provide Engineering, Procurement, Fabrication, Installation, Commissioning and Maintenance works for a pipe inspection gauges ("PIGG") trap system in Peninsular Malaysia, Sabah and Sarawak for a period of three years until 2018, with an extension option for one year.

A total of 1,025,520 safe man-hours achieved for HUC and TMM projects

- **Hook-Up and Commissioning & Topside Major Maintenance ("HUC and TMM")**

Our work scope in this segment includes providing manpower, equipment and consumables in onshore fabrication works and offshore erection of steel structures, process piping, mechanical equipment, electrical and instrument control systems, blasting and painting and major maintenance works for the topside of offshore oil and gas production facilities.



■ Loading of an intelligent pipeline inspection gauges



■ CDW-C Platform, Cendor



■ West Desaru Platform erect scaffolding and set-up rigging equipments

Barakah continued to receive a steady work flow valued at between RM100 million and RM120 million from the Pan Malaysia HUC and TMM project that we secured in 2013 from three production sharing contractors – Petrofac, Talisman and SK Energy. The contract runs through 2018 and is estimated to have a value of RM500 million over five years. The Petrofac contract covers HUC and TMM, facilities and improvement projects, the SK Energy portion involves HUC and TMM works while the Talisman portion covers operations and maintenance, facilities, engineering and construction. In September 2014, we secured a HUC contract from Lundin which runs until 2016.

We registered 1,025,520 man-hours executing the HUC and TMM project in 2014 and achieved zero LTI.

The notable HUC and TMM jobs in FP 2014 were as follows:

- i. Cendor Field flowlines installation at Wellhead Platforms A, B and C
- ii. HUC works for Cendor B and C
- iii. HUC field support for MOPU decommissioning in Cendor

- iv. HUC of new bridge structure and Wellhead Platform A at Cendor
- v. West Desaru TMM and flowlines installation
- vi. Provision of accommodation workboat and crewboat to support HUC operation
- vii. East Piatu Central Processing Platform produced water floatation unit and noise barrier installation
- viii. Offshore modification works for East Piatu gas injection and drilling phase 2
- ix. Onshore pre-fabrication and offshore modification for PM318 crude oil and cost optimisation project for East Belulut
- x. Field improvement projects – debottlenecking/upgrading for Kinabalu Platform
- xi. HUC of Bertam Wellhead Platform

In April 2015, KPOC awarded Barakah a new project for topside maintenance services in Sabah. The contract duration is for one year effective from 2 April 2015 with an extension option for a further one-year. The mobilisation date for the work is expected to be on 1 May 2015.

STATEMENT TO SHAREHOLDERS



■ *Topside Installation for KPOC*

INSTALLATION AND CONSTRUCTION SERVICES

For the FP 2014, our installation and construction services division accounted for 60.6% of our revenue or RM574.9 million. This was achieved through the execution of the Pan Malaysia T&I Package A, the EPCC of Prai 2 Lateral Gas Pipeline and the KPOC Topside Installation projects.

The latter was one of our major milestones in FP 2014. We completed the installation of the topside weighing around 20,000 tonnes using a float-over installation method with a Dynamic Positioning (“DP”) 2 vessel. This was the heaviest topside installed in Malaysia to date.

The EPCC of Prai 2 Lateral Gas Pipeline (“PRISM”) was an important project for us. It was our first major onshore downstream project and our first project as a main contractor for PETRONAS Gas. Our good performance for the PRISM project have put us in good stead and contributed to us securing a bigger project from PETRONAS Gas for the EPCC of 73km Pengerang Pipeline Project.

• Offshore Transportation and Installation

Our services in this segment cover transportation and installation of pipelines and offshore structures, submarine cables, and pipeline shore approach. This work covers new facilities development as well as periodical replacement and maintenance of existing facilities.

In our first year as a main turnkey contractor, Barakah received approximately RM600 million work orders for the Pan Malaysia T&I Package A contract. Between May and December 2014, we carried out five projects mainly for PCSB. Our main asset pipe-lay barge, Kota Laksamana 101 (“KL101”) was kept busy and 100% utilised throughout the second half of 2014. With a total 972,132 man-hours, we laid eight riser guards and an aggregate 63.0km of pipes offshore – 42.5km in Dalak Field, Sabah and 20.5km in Tukai-West Lutong Field, Sarawak. Separately, we installed 3.4km of cable replacement in Dulang Field, offshore Peninsular Malaysia.

In terms of our project route, we installed riser guards in Temana-Baronia-Baram Field, Sarawak before proceeding to Dalak Field for a new 16” offshore pipeline installation (“DOP”) followed by Tukai-West Lutong Field, Sarawak for another pipeline replacement work (“TPR”). While KL101 worked in TPR, we finished a 4.8km onshore pipeline in Sipitang and tie-in work for a PETRONAS methanol plant in Labuan. Simultaneously, we chartered a DP2 vessel to lay cables in Dulang Field, Terengganu. The bulk of the work for these five projects was completed in 2014 with the balance, mainly related to the Labuan-Sipitang onshore work, to be completed in the first quarter of 2015.

- **EPCC Onshore Pipeline and Construction**

Our services cover full EPCC services for onshore gas transmission pipeline construction as well as process facilities. We also offer mechanical and piping services, fabrication combined with erection for onshore processing plants and shutdown maintenance services. The size of pipes that we install ranges from 8" to 36" in diameter for trunk lines and associated facilities such as block valves and metering stations.

The RM94 million EPCC of Prai Gas Lateral Pipeline project, awarded in September 2013, involved the construction and installation of 22km of 28" pipeline from Lunas to Prai, a new metering station in Prai that consists of associated pipeline facilities such as block valves, cathodic protection and the SCADA system. Site clearing works started in December 2013 and the pipeline was completed on 10 January 2015. On 31 March 2015, we achieved 1,248,598 man-hours without LTI. PETRONAS Gas flowed in the first gas on 1 March 2015. The remaining works for the scrapper launcher and block valve stations, scrapper receiver and metering station and reinstatement was completed in April 2015.

Another EPCC project that we completed in 2014 was the RM29 million contract for biodiesel storage and blending facilities and its associated accessories at PETRONAS Dagangan Fuel Terminals in four towns in East Malaysia – in Sepangar Bay, Sandakan, Labuan and Miri.

Pengerang Pipeline is Barakah's biggest onshore project in action for 2015

This year, the Pengerang Pipeline project is Barakah's biggest onshore contract in action. Works are already in full swing and the project is targeted for completion in the middle of 2016. This project involves the "hot tapping" of gas from PETRONAS Gas' Peninsular Gas Utilisation 2 Network at Ulu Tiram, the transportation and installation of 73km (in total length) of 36" line-pipes across three development areas in Johor – Johor Tengah, Pasir Gudang and Kota Tinggi – and the construction of four major river crossings traversing swamps particularly in the Pasir Gudang area, right to the compound of PETRONAS' Refinery and Petrochemical Integrated Development ("RAPID") Project.



■ EPCC Prai Lateral Pipeline – Stringing of line pipes

STATEMENT TO SHAREHOLDERS



■ Dalak Open Day carnival at Sipitang, Sabah

CORPORATE SOCIAL RESPONSIBILITY

Barakah believes that a commitment to corporate social responsibility (“CSR”) is a fundamental duty of all organisations. CSR creates value for the people we touch and lays the foundation for sustainable commercial success. Today, shareholders increasingly expect that a company adheres to ethical practices, and it is crucial to meet those expectations.

Our CSR mainly focuses on community outreach programme to improve the lives of less fortunate members of society, enhancing the work environment for our employees and providing good governance throughout our entire corporate operations.

Our community initiatives reach out to help the less fortunate and also to nurture young minds. We are particularly proud of our school sponsorship programme, which has given 10 academically gifted students the opportunity to further excel in their secondary school education. We also respect the sensitivities of the communities in which we operate. We engage effectively with the local community to illustrate how our projects positively impact their neighbourhood.

Our people are our leading source of competitive advantage and we invest heavily in a framework which fosters career advancement and longevity of service. We encourage training for our staff with emphasis on both soft skills and professional knowledge. Through regular teambuilding exercises, we encourage all staff to share our corporate vision. Health, safety and environment (“HSE”) principles are central to our operations.

As a listed entity, our adherence to the highest standards of corporate governance is imperative. Transparency and accountability are key demands from our stakeholders to ensure growth and sustainability. We therefore offer detailed information about our operations via a comprehensive range of communication platforms, including our website www.barakahpetroleum.com. Investors may also access information on Bursa Malaysia’s website.

As our CSR strategy evolves and our programme becomes bigger, we look forward to Barakah bringing more lasting benefits to all our stakeholders. For more information on our CSR activities, please read the full report on pages 42 to 49 of this Annual Report.

INDUSTRY OUTLOOK AND FUTURE STRATEGIC DIRECTION

Barakah is mindful of the challenges in the years ahead. The lower oil price is changing the way our clients do business. There is a lot more emphasis on efficiency and reducing production costs. We will therefore continue to engage with our clients to recommend solutions to help save costs and improve the efficiency of their operations over the long term.

PETRONAS has announced its capital expenditure ("capex") and operating expenditure ("opex") cuts. It plans to cut its capex by 10% and its opex by 30% for 2015. In 2016, it plans to reduce capex by a further 15%. This prudent budgeting will naturally impact Malaysia's oil and gas services industry, Barakah included.

Some 60% to 65% of our business is derived from the replacement of facilities, operations and maintenance – contracts generated through our clients' opex. These projects are, for the most part, driven by our clients' HSE considerations and are critical for the safety and proper functioning of the platforms and sub-sea facilities. We therefore anticipate that, despite an overall reduction in upstream spending, budgets for the segment of services that we provide will not be significantly compromised. This, we believe, will contribute to our business remaining resilient. We will continue to secure projects within our bread-and-butter services to bolster our orderbook and lengthen our earnings visibility.

60% to 65% of our business is derived from the replacement of facilities, operations and maintenance



■ Lifting structure panel for dual fuel skid at Cendor FPSO



■ Dulang cable replacement project –Preparation work in progress

STATEMENT TO SHAREHOLDERS

- **Increasing Geographical Reach**

As we seek to broaden and diversify our earnings base, Barakah will continue to focus on overseas expansion. In selecting new markets, we are driven by four considerations – the level of geopolitical risk in the country, the clarity and stability of the country's regulatory policies, the scalability of the markets and whether the market affords Barakah the opportunity to sharpen our technical acumen.

We are currently carrying out business development in the Middle East Gulf region and those closer to our shores, including Indonesia, Vietnam, Myanmar and Brunei. However, we estimate that it may take a year or two for these markets to contribute to our operations.

- **New Business Activities**

As we seek to assure our shareholders of our resilience, diligence and discipline, we continue to strengthen our operations, including project procurement, implementation, risk management, credit controls and support services. By tightening our project implementation, we expect to significantly enhance our own efficiency and reduce costs.

We have to work beyond the current cyclicity of the sector and create a new business segment for ourselves. Here, we aim to create works in technological niche area in the operations and maintenance life-cycle of the oil and gas facilities. The new ways of maintenance would provide cost savings to clients while give us income opportunity for the longer term.

ACKNOWLEDGEMENTS

In presenting our Annual Report for 2014, we would like to thank a number of people who have made key contributions to our success this year and who we hope will continue to play an important role in our future ambitions.

We extend our appreciation to our management team and our staff for their loyalty and commitment. We recognise our people as our key asset and acknowledge that their dedication leads us to ever-greater heights. We also express our gratitude to our Board of Directors, a key group of professionals whose experience and industry knowledge forms the foundation of our forward thinking strategies.

We would like to thank our clients who continue to believe in us, giving us the confidence to stretch our creative abilities and delivering value to them. As for our shareholders, we greatly value your allegiance and look forward to continue serving your interests in the years ahead.

For our part, Barakah will continue to pay close attention to changes in the global and domestic landscape which may impact our business. In doing so, we are confident we will be able to implement appropriate business strategies to grow our business and drive our company forward.

We look forward to working with and for you in the coming year.

Thank you.



Dato' Mohamed Sabri Mohamed Zain
Chairman



Syed Abdul Rahim Syed Jaafar
President & Chief Executive

5 May 2015





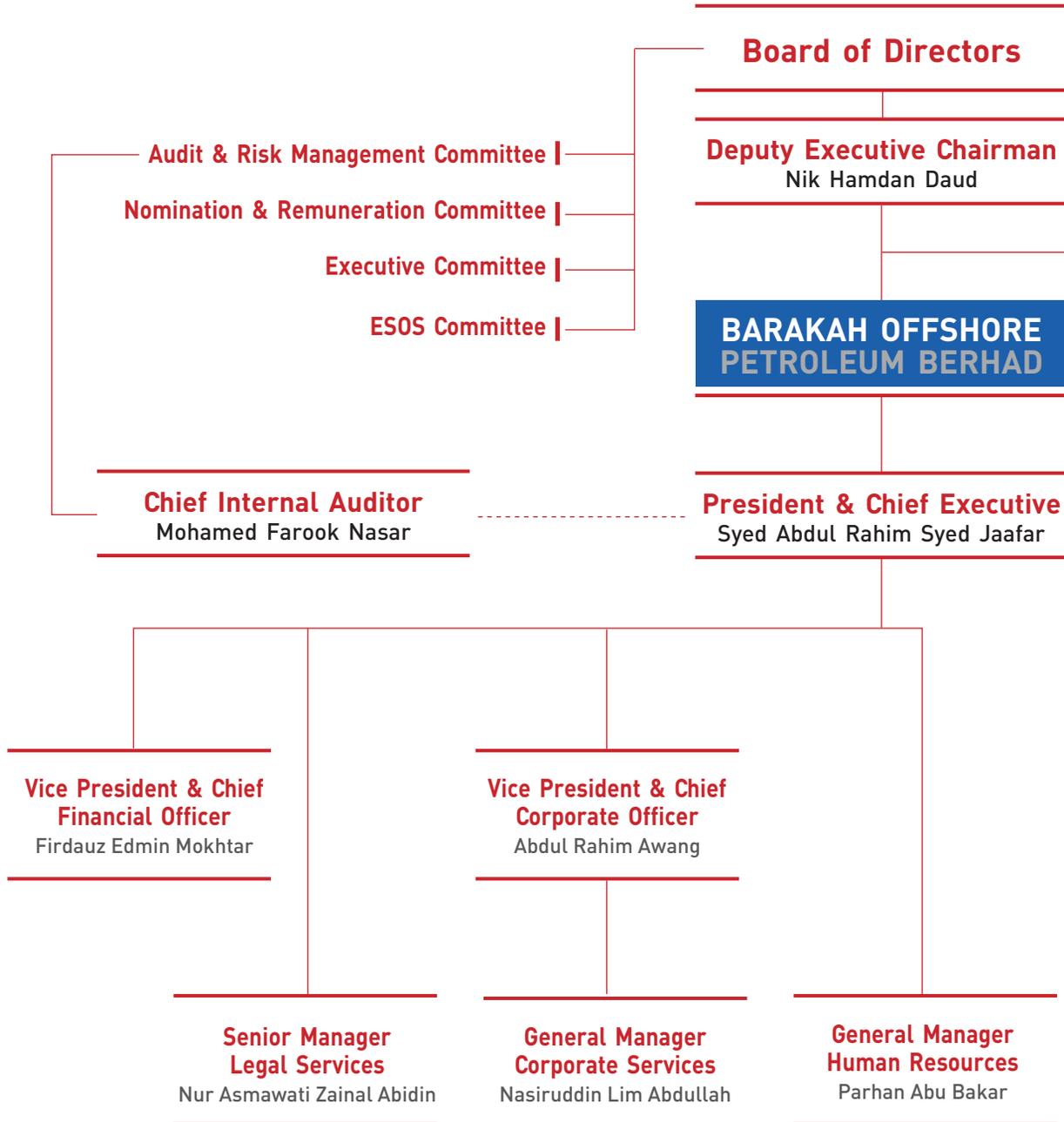
DEVELOP

The success that we have managed to build on over the years is the embodiment of the zest and enthusiasm of our talented and highly skilled workforce. We take pride in developing our employees' wellbeing and devote significant amounts of time and resources to support their continuous improvement as we grow.



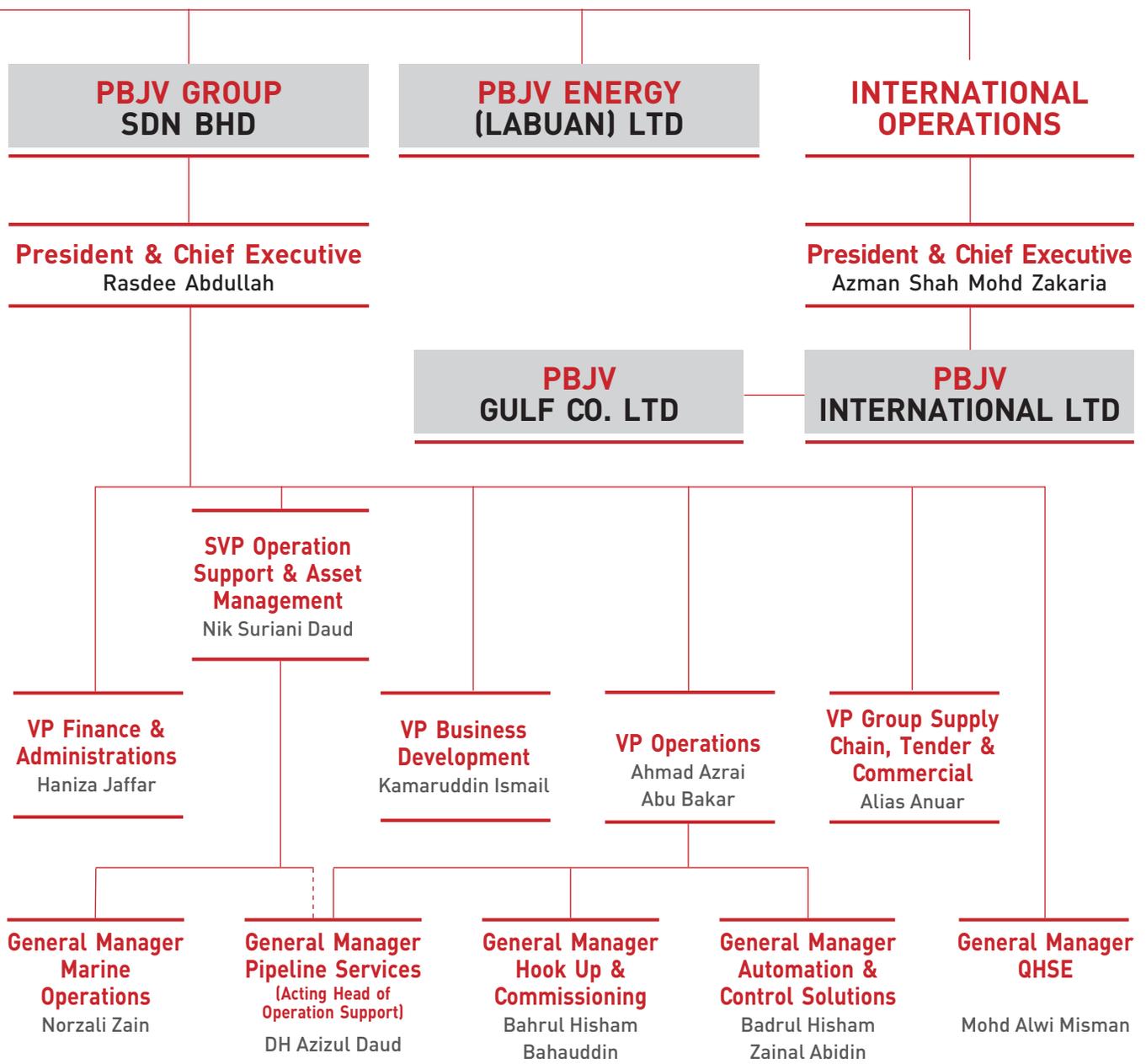
ORGANISATION STRUCTURE

AS AT 31 MARCH 2015



Listed on Bursa Malaysia

----- Executive Chairman ----- Director



SENIOR MANAGEMENT



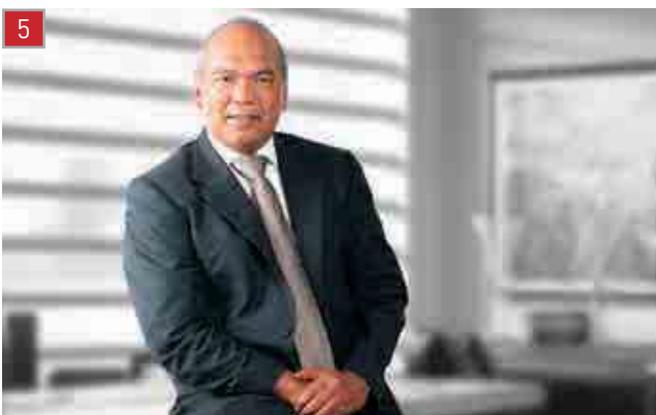
1. **Nik Hamdan Daud**
Deputy Executive Chairman, Barakah
Founder & Executive Chairman, PBJV Group Sdn Bhd
2. **Syed Abdul Rahim Syed Jaafar**
President & Chief Executive, Barakah
3. **Azman Shah Mohd Zakaria**
Executive Director, Barakah
President & Chief Executive, International Operations, Barakah
4. **Rasdee Abdullah**
Executive Director, Barakah
President & Chief Executive, PBJV Group Sdn Bhd
5. **Firdauz Edmin Mokhtar**
Vice President & Chief Finance Officer, Barakah



6. **Abdul Rahim Awang**
Vice President & Chief Corporate Officer, Barakah
7. **Mohamed Farook Nasar**
Chief Internal Auditor, Barakah
8. **Parhan Abu Bakar**
General Manager, Human Resources, Barakah
9. **Nasiruddin Lim Abdullah**
General Manager, Corporate Services, Barakah
10. **Nur Asmawati Zainal Abidin**
Senior Manager, Legal Services, Barakah



SENIOR MANAGEMENT





1. **Nik Suriani Daud**
Senior Vice President, Operation Support & Asset Management, PBJV Group Sdn Bhd
2. **Alias Anuar**
Vice President, Group Supply Chain, Tender & Commercial, PBJV Group Sdn Bhd
3. **Kamaruddin Ismail**
Vice President, Business Development, PBJV Group Sdn Bhd
4. **Haniza Jaffar**
Vice President, Finance & Administrations, PBJV Group Sdn Bhd
5. **Ahmad Azrai Abu Bakar**
Vice President, Operations, PBJV Group Sdn Bhd

6. **Mohd Alwi Misman**
General Manager, QHSE, PBJV Group Sdn Bhd
7. **DH Azizul Daud**
General Manager, Pipeline Services, PBJV Group Sdn Bhd
8. **Capt. Norzali M. Zain**
General Manager, Marine Operation, PBJV Group Sdn Bhd
9. **Badrul Hisham Zainal Abidin**
General Manager, Automation & Control Solutions, PBJV Group Sdn Bhd
10. **Bahrul Hisham Bahauddin**
General Manager, Hook Up & Commissioning, PBJV Group Sdn Bhd



EXPLORE

To further expand our business, we will explore different markets and strengthen our business. We strive to optimise capability by integrating and deriving synergy from our entire organisation. This helps us build business momentum and drives us on to bigger and bolder endeavours.



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 or the community at large. As our company grows, we continue to work to ensure our success is inclusive through various Corporate Social Responsibility (“CSR”) programmes and activities, striking a balance between profitability and social conscience, responding to the expectations of society and ensuring sustainability.

CORPORATE SOCIAL



■ *'Menjejaki rumah-rumah daif' (Visiting homes of the poor) event at Kampung Pelek, Penang*

As a newly-listed entity, inspiration for our CSR initiatives comes from Bursa Malaysia's CSR Framework. We therefore focus on four key areas – Workplace Development, Marketplace Development, Community Development and Health, Safety and Environment (“HSE”).

Our CSR projects range from, but are not limited to, aiding Non-Governmental Organisations (“NGOs”) and their community work, to projects with orphans and the less fortunate, to supporting bright young minds achieving their dreams.



■ Our Founder, Nik Hamdan at the 'We Care' Homeless Programme

RESPONSIBILITY

WORKPLACE DEVELOPMENT

As we prepare for our next thrust, our people are the ultimate source of the Group's competitive advantage. Our ability to attract and retain the best people the market offers is therefore imperative for our continued success and performance. In our effort to be an Employer of Choice, we endeavour to provide a conducive working environment for our employees and we invest significant resources to ensure their health and safety.

As at the end of the financial period ("FP") 2014, we have close to 500 staff from which the senior management has on average 18 years' experience in the industry. Our staff count grows steadily each year, supported by the substantial resources we invest in creating a workplace environment conducive to productivity, performance and shared goals. We actively recruit fresh graduates, adding 20 new graduates to our workforce in 2014, of whom 75% were given technical roles and the remainder positions in finance and other supporting divisions.

We emphasise the development of project requirement, technical and soft skills training, recognising that each skillset plays a complementary role in producing highly effective personnel.



■ *Training in progress*

Our culture is defined by the solid values of teamwork, trust, empowerment and transparency, and our Code of Ethics and Conduct Policy is embraced by employees and management alike. We practice an open door policy facilitating a direct line of contact between employees and high level management and offer competitive remuneration packages.

Barakah is committed to providing career progression plans for our employees from the first day of their employment with us in order to generate a sense of belonging and clear direction from the very start. To this end, we conduct in-house training and arrange external training programme for our staff following assessments of

their training needs. We emphasise the development of project requirement, technical and soft skills training, recognising that each skillset plays a complementary role in producing highly effective personnel.

To promote team spirit and ensure the success of our two-way communication strategy, we conduct a range of teambuilding exercises to ensure that our employees understand the concepts of goals, roles, process and interpersonal relationships and to enhance team performance with our clients and contractors in each of our projects. These sessions enable staff and management to bond and create opportunities for them to also discuss corporate strategy and project progression.



■ 'Sentuhan Kasih Barakah' (Visiting patients at the paediatric ward) at General Hospital Kuala Lumpur

List of Team Building Exercises conducted in FP 2014:

- | | |
|---|---|
| i. Management Team Building | <i>Cherating, Kuantan – 15-17 November 2013</i> |
| ii. PBJV – DFIN Team Building | <i>Le Grandeur Palm Resort Johor – 18-20 February 2014</i> |
| iii. PBJV – PML Team Building | <i>Thistle Port Dickson – 28 February-2 March 2014</i> |
| iv. OIC's PMU Team Building | <i>The Pacific Sutera Harbour Resort & Spa Kota Kinabalu – 13-15 March 2014</i> |
| v. PBJV – Talisman Team Building | <i>Dorsett Grand Labuan – 24-26 April 2014</i> |
| vi. PRISM Team Building | <i>Sedim Vista Homestay Kulim – 12-14 June 2014</i> |
| vii. Energy Project Integrated Workshop | <i>Philea Resort & Spa Melaka – 12-14 September 2014</i> |

To promote a healthy lifestyle, we encourage staff to participate in a range of sporting activities which we plan throughout the year. Sports and recreational activities enjoy prominence in Barakah's culture as we seek to integrate our employees' families into our fold and create a healthy balance between work and personal life and promote a healthy lifestyle.

CORPORATE SOCIAL RESPONSIBILITY



■ Team building with Client at Le Grandour, Senai, Johor



■ Paintball Tournament at Extreme Park Shah Alam, Selangor

List of Sport and Recreational Activities conducted in FP 2014:

- i. Annual Family Dinner – One World Hotel – 28 December 2013
- ii. Bowling Tournament – One Utama – 23 May 2014
- iii. Futsal Tournament – Sport Planet – 7 June 2014
- iv. Sinarkan Barakah Aidilfitri – HQ Office – 23 August 2014
- v. Paintball Tournament – Extreme Park Shah Alam – 27 September 2014

MARKETPLACE DEVELOPMENT

Barakah embraces high standards of transparency and accountability in our dealings with all our stakeholders – namely the community in which we operate, our shareholders, clients and investors. Our corporate information is easily accessible via our website www.barakahpetroleum.my and through Bursa Malaysia, and our Annual General Meetings give shareholders a platform to raise questions and meet key personnel.

Our 2nd Annual General Meeting was held at Royale Bintang, The Curve, Damansara on 19 March 2014.

We adhere to the principles of the Malaysian Code on Corporate Governance 2012, recognising that high levels of business integrity, ethics and professionalism are a fundamental part of our responsibility to protect and enhance value for our shareholders. Our Board of Directors consists of a mix of independent non-executive directors who oversee and complement management on Barakah's business directions and policies. We have also introduced our internal Risk Management Policy Framework which clearly defines the roles, responsibilities and key processes involved in risk mitigation in achieve our objectives.

Our commitment to the market place is further illustrated through initiatives such as our Quality Management System ("QMS") which ensures that our organisational, operational, commercial and technical activities are planned, managed and supervised to fulfil our clients' expectations and our contractual obligations. The QMS of PBJV carries the ISO 9001:2008 certification of international quality from Bureau Veritas Certification (Malaysia) Sdn Bhd and OHSAS 18001:2007.

Awards that we received reflect our success in meeting the needs of the marketplace. PBJV has been previously named a High Performing Bumiputera small and medium enterprise ("TERAS Company") under a programme initiated by Unit Peneraju Agenda Bumiputera ("TERAJU").



■ PRISM HSE Engagement Session at UiTM Permatang Pauh, Penang



■ Dalak Open Day carnival at Sipitang, Sabah

Barakah holds many certificates of appreciation from our clients, including from PETRONAS Carigali for our Peninsular Malaysia Operations Integrated Turnaround Project and the Outstanding Vendor Award for exemplary performance in 2012.

Participation in prestigious conferences, exhibitions and trade fairs enables us to showcase our capabilities to a wider group of domestic and international players in the energy industry. In 2014, we took part in the inaugural Offshore Technology Conference Asia (“OTC”), which attracted more than 25,000 industry professionals from some 90 countries; the Malaysia Oil and Gas Services Exhibition and Conference (“MOGSEC”) and the International Petroleum Technology Conference and Exhibition (“IPTC”) 2014.

COMMUNITY DEVELOPMENT

As our business grew, we allocate an increasing amount of our time and resources in engaging with the broader community. This year, we set aside some RM1.4 million for a variety of community causes which include helping the orphanage and the homeless, supporting disabled people and raising crime prevention awareness. Aside from the financial investment, we encourage all our employees to participate as volunteers to help the less fortunate.

Our most prominent outreach activities in 2014 included the adoption of the orphanage “Rumah Kasih Harmoni” in Paya Jaras, Selangor which strives to raise the living conditions and education opportunities of orphaned and poor children through a long term programme to nurture them into productive individuals able to make a contribution to society. We also launched our “We Care – Homeless Programme”, in partnership with a prominent local NGO, Pertiwi Soup Kitchen. Since the start of the programme at the end of 2014, our entire company has, on several occasions, served food and distributed basic necessities to around 500 hungry and homeless people in Kuala Lumpur. We expect to continue this programme in the coming year.

To familiarise the local community with our projects, we organised Dalak Open Day in Sipitang, Sabah. Our staff spent time with more than 1,000 members of the local community, showcasing how Barakah’s projects positively impact their daily lives. We even conducted engagement sessions with the local community to teach them about our safety awareness measures during the installation of our gas pipelines. This initiative received full support from the local authorities and agencies.

CORPORATE SOCIAL RESPONSIBILITY



■ Sponsorship for students of SMK Sg. Besar, Selangor



■ Dalak Open Day carnival at Sipitang, Sabah



■ 'Tautan Kasih' – Flood relief mission in Dabong, Kelantan
(Rebuilding houses destroyed by the flood)

Our activities to help the less fortunate are not restricted to urban areas - we also undertake initiatives to assist people in rural areas. In collaboration with the State Zakat Centres and Pertubuhan Peladang Kawasan ("PPK") Kg. Pelet Pulau Pinang, we identified six dilapidated houses and gave them assistance. We also carried out clean-up campaigns in the surrounding neighbourhood and refurbished houses of poor families in Kg. Guar Perahu, Kg. Terus and Permatang Pasir in Pulau Pinang.

Our annual Sentuhan Kasih Barakah initiative takes our staff to the paediatric wards of Kuala Lumpur General Hospital to inject some colour into the daily routines of young patients. It is the second year we have conducted this programme during the fasting month and gave away hampers and duitraya to children during our visits.

Barakah is also becoming more involved in longer-term community initiatives which help less fortunate but excellent students excel in their studies and provide them with better education opportunities. In recognition of the important role which education plays in our society, we offered two-year scholarships to 10 Form 4 students at SMK Sg. Besar, Selangor.

The floods which ravaged the east coast of Malaysia in December 2014 prompted Barakah to swiftly deployed four teams to help with the ground relief efforts. Named 'Tautan Kasih' our flood relief programme helped our staff and the local community affected by the flood. We also expanded our corporate responsibility initiative by collaborating with the NGO Malaysia Integrated Medical Professionals Association ("MIMPA") during a post disaster mission at Manek Urai Lama, Kelantan, an area which was badly hit by the flood.

Going forward, Barakah plans to work with a number of NGOs on a wider range of community initiatives. We see our role as providing funding and volunteer manpower while we tag along with the NGOs' extensive experience in managing bigger community work. We hope that these kinds of collaborations will enable us to make a greater impact on a wider group of people in need.

Our HSE-centric work culture is encapsulated in the C.A.R.E. principle – "Commitment & Communication", "Awareness & Attitude", "Roles & Responsibilities", and "Environment & Enforcement".



■ "S.A.F.E." Campaign - Officiated by our Founder, Nik Hamdan



■ PRISM HSE event in Penang

Our HSE-centric work culture is encapsulated in the C.A.R.E. principle – “Commitment & Communication”, “Awareness & Attitude”, “Roles & Responsibilities”, and “Environment & Enforcement”.

HEALTH, SAFETY AND ENVIRONMENT

Good Health, Safety and Environment (“HSE”) practices are integral to operational excellence and sustainability. A company has a responsibility to all its stakeholders to maintain a healthy and safe workplace and protect the environment. Our achievements in this arena have earned us recognition from our clients.

We encourage all our employees to follow best HSE practices and remind them of our HSE motto of “Think Family, Work Safely”. Our HSE-centric work culture is encapsulated in the C.A.R.E. principle – “Commitment & Communication”, “Awareness & Attitude”, “Roles & Responsibilities”, and “Environment & Enforcement” through HSE campaigns, training, compliance, audit, inspection and correction exercises.

We have adopted our own internal HSE policy to ensure that stringent standards are met by all members of our operations, including our staff, subsidiaries and subcontractors. Our Drug and Alcohol Policy, Stop Work Policy and Chemical Usage Policy were launched at the same time. We review our HSE programmes annually to ensure they continue to comply with legislative and client requirements as well as OHSAS 18001:2007, an international specification for occupational health and

safety management systems. In the near future, we hope to achieve ISO 14001:2004 certification – a seal of good environmental management – in recognition of our ongoing efforts to contain the environmental impact of our operations.

Barakah’s efforts to promote good HSE practices are not confined to our corporate arena. In 2014, we organised an engagement session at Universiti Teknologi MARA in Penang to educate students and members of the community on the importance of HSE.

We are proud to say that in FP 2014, Barakah continued to maintain good safety performance, achieving a total of 1,442,046 man-hours without lost time incident.

In conclusion, our community outreach programmes take many forms, but the central objective running through all our efforts is to reach out to the less fortunate in society, bringing joy and planting the seed of hope and possibility in those who may have felt that they had been forgotten. From bringing cheer to the homeless, visiting children in hospitals, improving the lives of single parent families, adopting orphanages, assisting flood victims, providing support for education and safety campaigns, Barakah is intent on making the difference!

CALENDAR OF EVENTS 2013/2014





4

1 19 MARCH 2014

Barakah 2nd AGM @ Royale Bintang The Curve, Damansara, Selangor
2nd Annual General Meeting

2 25-28 MARCH 2014

2014 Offshore Technology Conference Asia Kuala Lumpur Convention Centre, Kuala Lumpur

The inaugural OTC Asia showcased products and services of more than 240 companies, with only 30 being Malaysian companies

3 12 APRIL 2014

CSR – Menjejak Rumah-rumah Daif @ Kg Pelek, Penang

"Gotong royong" session to repair houses of the less fortunate and poor families. 6 families were selected by Pusat Zakat for this programme

4 24-26 APRIL 2014

PBJV – Talisman Team Building @ Dorsett Grand Labuan

Team building organised between PBJV and Talisman for Hook-Up, Commissioning & Maintenance Project

5 23 MAY 2014

Bowling Tournament @ One Utama, Selangor

Sporting activity for staff to encourage a healthy lifestyle

6 12 JULY 2014

Sentuhan Kasih Barakah @ GHKL

Yearly programme conducted at General Hospital Kuala Lumpur ("GHKL"). A series of gathering for the under-privileged seriously ill children during Ramadhan

7 20 AUGUST 2014

Sponsorship Ceremony for 10 Excellent students @ SMK Sg. Besar

Sponsored 10 students who excelled in their studies. This include providing monthly allowance, workshops, tuitions and relevant training for student at SMK Sg. Besar

8 23 AUGUST 2014

Sinarkan Barakah di Aidilfitri @ HQ

Hari Raya celebration and gathering with clients and friends

9 23-25 SEPTEMBER 2014

2nd Malaysia Oil & Gas Services Exhibition and Conference (MOGSEC 2014) Kuala Lumpur Convention Centre, Kuala Lumpur, Malaysia

MOGSEC 2014 is a regional Oil & Gas exhibition and conference. It brings together and showcases the country's Oil & Gas service providers

10 10-12 DECEMBER 2015

President & Chief Executive, PBJV Group Sdn Bhd interview with ASTRO Awani @ The 8th International Petroleum Technology Conference ("IPTC"), Kuala Lumpur Convention Centre

IPTC is an annual conference rotating between Asia Pacific and the Middle East. It focuses on scientific and technological knowledge related to the exploration, development, production, transportation and processing of oil and gas

11 28 DECEMBER 2015

We Care – Homeless Programme @ KL

Homeless programme collaboration with Pertiwi Soup kitchen ("NGO"). We distributed food, drinks and blankets to 500 homeless people in the KL area. This has been our regular programme carried out bi-monthly

12 28 DECEMBER 2014

Tautan Kasih – 'Misi Bantuan Banjir'

Flood relief mission to Terengganu and Kelantan area by our CSR team assisted by our HQ, KL and Paka team

13 29-31 JANUARY 2015

HUC Department Team Building

Team bonding session between HUC department from our office in KL, Paka Terengganu and Labuan was held at Eagle Ranch, Port Dickson



8



12



13



PROGRESS

Over the years, we have grown from strength to strength. From a pipeline service provider, we have expanded our business activities to include offshore transportation and installation works, hook-up and commissioning, onshore construction, underwater services and chartering of marine vessels and equipment.



HUMAN RESOURCE

* AS AT 31 DECEMBER 2014

Distribution of Qualifications

Skilled Certificates 17% (87)

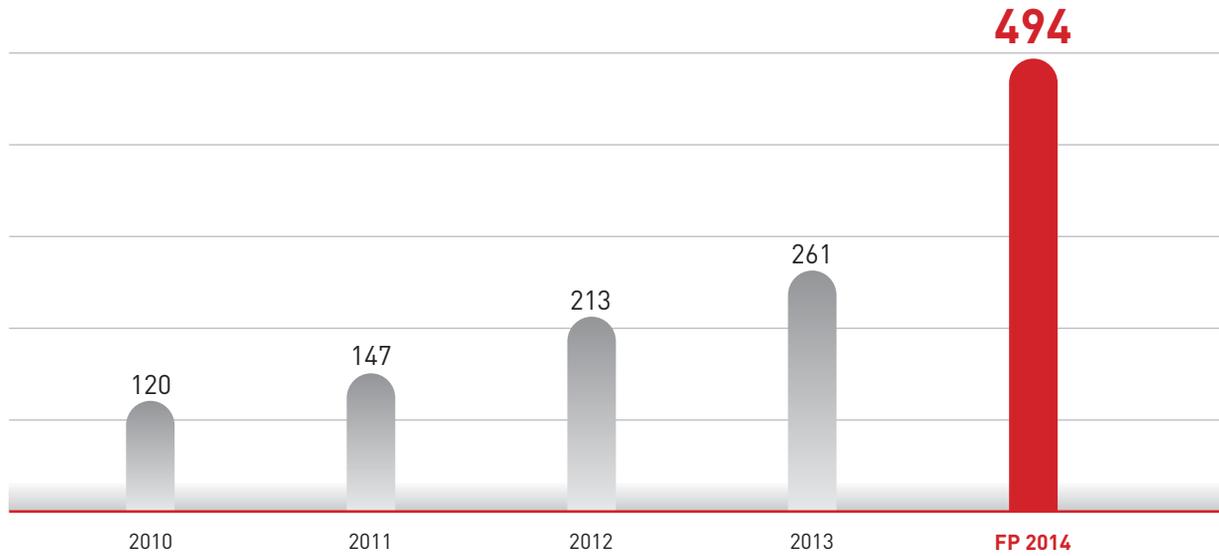
Diploma 23% (112)

Degree & Postgraduate 60% (295)

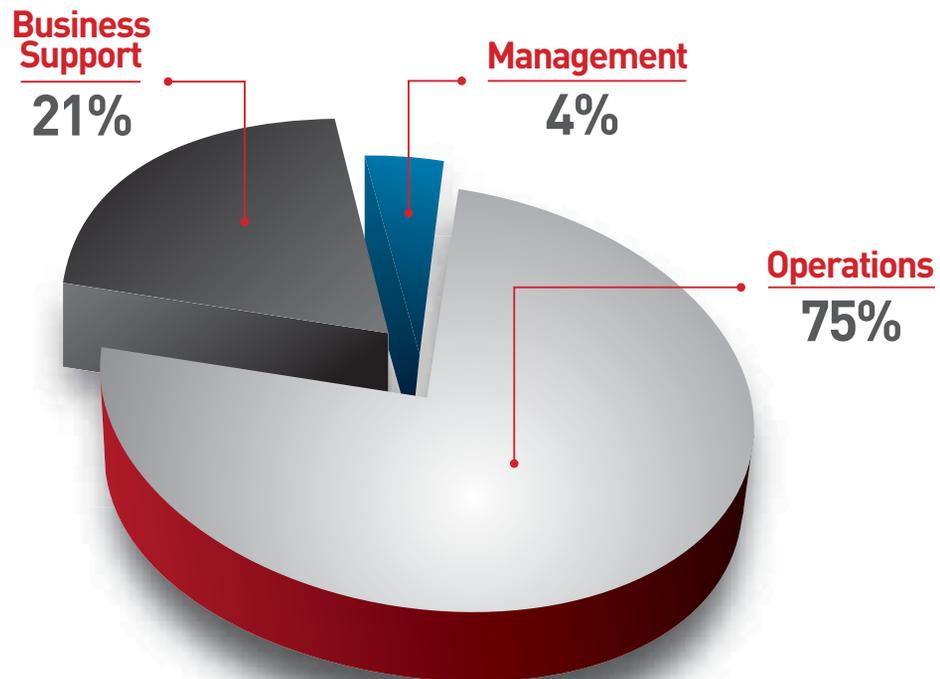
Total Staff*

494

Employee Headcount



Breakdown by Category



STATEMENT ON CORPORATE GOVERNANCE

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 maintained its policies and procedures and continued to improve the Group's processes, controls and systems to comply in accordance with the Main Market Listing Requirements ("MMLR"). The Board also continuously reviews and where appropriate, takes 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 period ended 31 December 2014 ("FP 2014").

ESTABLISHING ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board is overall accountable to the 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 provides guidance and reference to the Board on the overall business affairs and operations 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 full details of the Board Charter can be found on the Company's official website.

The Board adopts business plans for the Group and reviews it 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 adopted its 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 ensure continuity of business and prevent potential business and operational disruption due to any change of senior management personnel.

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 stakeholders communication policy for the Group.

The Board is ultimately responsible for adequacy and integrity of the internal control system of the Group. The Board establishes its Risk Management Policy/ Framework on 23 October 2013 to ensure principal risks are adequately identified and appropriate internal controls and mitigation measures are implemented by the management in managing those risks. 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 68 and 70.

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.

STATEMENT ON CORPORATE GOVERNANCE

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.

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 the society with regards to Environmental, Social and Governance ("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 42 to 49.

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.

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") namely;

1. Audit and Risk Management Committee – TOR
2. Nomination and Remuneration Committee – TOR
3. Employees Share Option Scheme Committee – TOR
4. Executive Committee – 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 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. This is in support of Barakah's other policies such as the Related Part Transaction Policy, Directors Assessment and Remuneration Policy and Privacy Notice-Personal Data Protection Act.

All these policies as mentioned above are reviewed periodically or as and when required.

STRENGTH OF COMPOSITION

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

- **Sulaiman Ibrahim, Chairman of NRC and**
Senior Independent Non-Executive Director;
- **Abd. Hamid Ibrahim**
NRC member (resigned on 12 June 2014);
- **Dato' Mohamed Sabri Mohamed Zain**
NRC member (appointed on 7 July 2014); and
- **Nurhilwani Mohamad Asnawi**
NRC member.

Sulaiman Ibrahim has been the Senior Independent Non-Executive Director since 12 December 2013.

STATEMENT ON CORPORATE GOVERNANCE

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 changes of the Board's composition 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. The attendance of the respective directors in respect of Board and Board Committee meetings held during the FP 2014 are set out below:

Board Members	Classification	BOD	ARMC	NRC	ESOS
Abdul Hamid Ibrahim (resigned on 12 June 2014)	Independent, Non-Executive	Chairman 7/7	6/6	4/4	
Dato' Mohamed Sabri Mohamed Zain (appointed on 7 July 2014)	Independent, Non-Executive	Chairman 2/2	4/4	2/2	
Nik Hamdan Daud	Non-Independent Executive	Deputy Executive Chairman 9/9			
Sulaiman Ibrahim	Senior Independent, Non-Executive	9/9	10/10	Chairman 6/6	Chairman 1/1
Datuk Azizan Hj Abd Rahman	Independent, Non-Executive	9/9	Chairman 10/10		
Azman Shah Mohd Zakaria	Non-Independent, Executive	9/9			
Rasdee Abdullah	Non-Independent, Executive	8/9			1/1
Nurhilwani Mohamad Asnawi	Independent, Non-Executive	9/9		6/6	1/1
Total number of meetings in the FP 2014		9	10	6	1

Pursuant to the MMLR, all directors have complied with the requirement of at least 50% attendance at Board meetings held in the FP 2014. Barakah has established a formal and transparent procedure for the appointment of new directors to the Board. The Board has maintained its Directors' Assessment and Remuneration Policy since 23 October 2013 that established a clear evaluation of the Board's competencies that brings the right mix of skills 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, experiences and other qualities required before they are recommended to the Board for consideration and approval.

STATEMENT ON CORPORATE GOVERNANCE

The NRC is also responsible for assessing the suitability of directors on an ongoing basis. The NRC has conducted various assessments for FP 2014, 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 with 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 Third AGM in accordance with Article 86 of the AA. The directors are Nik Hamdan Daud and Azman Shah Mohd Zakaria. In accordance with Article 92 of the AA the retiring director is Dato' Mohamed Sabri Mohamed Zain. The Board has approved the NRC's recommendation to support the re-election of all the said directors at the forthcoming AGM.

Induction programmes were conducted for all newly appointed directors that 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. During the FP 2014 the directors had attended trainings in risk management and corporate governance, Goods and Service Tax Malaysia (GST) and team-building workshops. They had also kept abreast with the development issued by Bursa Malaysia through briefings from our Company Secretary from time to time.

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 judgement to the Group's action plans and strategies to ensure that high standards of conduct and integrity are practised 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 for 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 seven (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 sustainable business.

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 Third 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 allowance.

STATEMENT ON CORPORATE GOVERNANCE

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 FP 2014 are as follows:

Non-Executive Directors		RM
- Fees		701,154
- Other emoluments		189,751
- Benefits-in-kind		-
Executive Directors		RM
- Salary		4,228,000
- Other emoluments		2,386,356
- Benefits-in-kind [^]		46,367

Note:- [^] Other emoluments include bonuses, fees, defined contribution plan and SOCSO.

The following directors in each remuneration band are as follows:

Range of remuneration band	Number of directors
Non-Executive Directors	
RM50,001 to RM100,000	1
RM150,001 to RM200,000	3
RM250,001 to RM300,000	1
Executive Directors	
RM1,250,001 to RM1,300,000	1
RM1,550,001 to RM1,600,000	1
RM3,800,001 to RM3,850,000	1

Note: The above includes remuneration of Abd. Hamid Ibrahim who had resigned on 12 June 2014

REINFORCED INDEPENDENCE

The Board undertook an annual 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.

None of the Independent Directors' tenures had exceeded the cumulative term of nine (9) years and none of the directors are over the age of seventy (70) years who are required to submit themselves for re-election 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 overseeing 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 briefed 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 period.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board, and assisted by the Audit and Risk Management Committee ("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 as shown on page 72.

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 has been adopted and applied consistently and the relevant financial statements in giving 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 Internal Audit Department has performed limited review on the quarterly financial reports for additional reasonable assurance to the ARMC and Board.

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 March 2015. The ARMC had two private meetings with the external auditors in the FP 2014 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. Details of ARMC activities are stated in ARMC Report set out on pages 63 to 66.

STATEMENT ON CORPORATE GOVERNANCE

RECOGNISE AND MANAGE RISKS

The Board has approved the Risk Management Policy/ Framework of the Group and having the ARMC to oversee it. 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. Details of ARMC activities are stated in the ARMC report set out on pages 63 to 66.

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 and is guided by its Internal Audit Charter that has been approved by the Board. 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 IA activities are stated in the SIA report set out on page 67.

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 68 and 70.

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 on 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 information, 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 the public 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 meeting is a 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. The 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 Third AGM will be held on 11 June 2015 and detailed information of this meeting can be found in the notice of general meeting.

COMPLIANCE STATEMENT

The Board is satisfied that in the FP 2014 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 5 May 2015.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“ARMC”) held ten (10) meetings during the financial period from 1 October 2013 to 31 December 2014 (“FP 2014”) as follows:

Datuk Azizan Haji Abd Rahman <i>ARMC Chairman</i> <i>Independent Non-Executive Director</i>	10/10
Sulaiman Ibrahim <i>ARMC Member</i> <i>Senior Independent Non-Executive Director</i>	10/10
Dato’ Mohamed Sabri Mohamed Zain <i>(appointed on 7 July 2014)</i> <i>ARMC Member</i> <i>Independent Non-Executive Chairman</i>	4/4
Abd. Hamid Ibrahim <i>(resigned on 12 June 2014)</i> <i>ARMC Member</i> <i>Independent Non-Executive Chairman</i>	6/6

TERMS OF REFERENCE (“TOR”)

The TOR of ARMC is prepared and adopted by the Board based on the Main Market Listing Requirements (“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 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 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;
- ii. All the ARMC members must be Non-Executive Directors, with a majority of them being Independent Directors;
- iii. The Chairman of the ARMC shall be appointed by the Board from among the Independent Non-Executive Directors;
- iv. 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.
- v. An Alternate Director shall not be appointed as a member of the ARMC;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- vi. 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
- vii. 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 (6) 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 on Risk Management and 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 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 audit and external audit:
 - 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;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- d. Reviewing and approving 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 appointment, transfer, resignation, remuneration, performance and dismissal of Chief Internal Auditor;
- g. Reviewing the external and internal audit reports to ensure that where major deficiencies in controls or procedures have been identified, appropriate and prompt action 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;
- h. 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;
- i. Reviewing with the external auditors, their evaluation of the system of internal control;
- j. Reviewing the assistance given by the staff to the external auditors;
- k. 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; and
- l. 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 internal auditors;
- 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, management 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 four (4) times in a financial year or as frequently as the Chairman shall decide. ARMC 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, management and employees of the Group, whenever deemed necessary.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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 ARMC/ 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 deliberated quarterly results and Audited Financial Statements of the Group for FP 2014.
- Reviewed the Recurrent Related Party Transactions.
- Reviewed and deliberated the following reports to be included in the Annual Report:
 - i. Audit and Risk Management Committee Report,
 - ii. Statement on Risk Management and Internal Control,
 - iii. Statement on Corporate Governance, and
 - iv. Statement on Internal Audit.
- Reviewed the risk register and deliberated the top 10 risks of the Group.

- Reviewed the effectiveness of Risk Management & Internal Control System of the Group.
- Reviewed the external auditors' audit plan, scope and report.
- Assessed the external auditors performance and independence (using checklist provided in Corporate Governance Guide) before recommending their re-appointment and fees.
- Held two private meetings with external auditors.
- Reviewed and approved Internal Audit plan.
- Reviewed and deliberated internal audit reports.
- Appraised the annual performance, confirmation and remuneration of Chief Internal Auditor.
- Reviewed the results of IA department's auditee satisfaction survey 2014.

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

During the financial period ended 31 December 2014, there were no options granted pursuant to the ESOS.

On 4 February 2015, the ESOS Committee had granted options pursuant to the ESOS Scheme. As part of the Internal Audit Plan for financial year ("FY") ending 31 December 2015, the said ESOS allocation as at the date of this statement, is currently being audited by the Internal Audit department to be presented for verification to the Audit and Risk Management Committee in respect of its compliance with criteria for allocation of options in accordance with the By-Laws of the ESOS. A disclosure of the said verification will be made in the Audit Committee Report in the annual report for FY 2015.

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 is an in-house function. In order to preserve its independence, the Chief Internal Audit ("CIA") functionally reports to the Board's Audit and Risk Management Committee ("ARMC") Chairman and administratively to the President & Chief Executive.

The IAD adopts a risk-based audit methodology to ensure that the effectiveness of relevant controls addressing the Group's key risks are reviewed on a periodically basis. The purpose, authority, responsibility and independence are clearly articulated in the Internal Audit Charter prepared in line with Main Market Listing Requirements ("MMLR"), Malaysian Code on Corporate Governance 2012 and the Institute of Internal Auditors' International Professional Practices Framework.

The Internal Audit plan for FP 2014 had been approved by BOD. Amongst others, the plan includes risk based internal audit engagement and consulting activities, manpower requirements of IAD, budget and key performance indicators of IAD. Feedback from ARMC, director and management were obtained via auditee satisfaction survey and the analysis of the result and improvement plan were presented to the ARMC.

The key internal audit engagement for FP 2014 include the following:

- Audit of Tendering and Costing Process (Co-sourced with external consultants).
- Audit of Yard and Inventory Management.
- Review of ESOS Management Process.
- Review of Related Parties Transactions/ Recurrent Related Parties Transactions.
- Audit of Project Implementation Process.
- Limited Review of Quarterly Results.
- Follow up on audit reports.
- Provide advise to management on control, risk and governance matters whenever consulted.

IAD had also organised an in-house training for the ARMC members and Top Management where external presenters were invited to speak on the topic of Corporate Governance, Risk Management and Internal Controls.

The total cost of IAD for FP 2014 was RM514,000.

This statement is made in accordance with the resolution of the Board dated 5 May 2015.

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 as follows:

- Review on the risk management framework, processes and responsibilities in order to provide reasonable assurance that risks are managed within tolerable ranges and to embed risk management in all aspects of business operations and activities by identifying principal risks and implement appropriate control measures to manage those risks.
- Review on the adequacy and integrity of the risk management and internal control systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Establish the policies and procedures in the Group in ensuring the adequacy and effectiveness of the risk management and internal control systems as it 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, on behalf of the EXCO, 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. The framework defined the risk management policy of the Group and risk management framework 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 ("ARMC") while the implementer role of risk management 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 and coordinated by the Chief Corporate Officer of the Corporate Services Division as the Risk Coordinator. The RMSC members comprise Heads of Divisions and Departments whom are identified as the respective Risk Owners within their divisions/departments.

A risk management framework based on enterprise risk management concept is incorporated in the Group on the following processes and scopes of assessing, reviewing, treating, monitoring and reporting. The framework is facilitated by the Risk Coordinator of RMSC whose primary role consists of issuance of risk reports, providing risk support to the operations and administrations, maintaining appropriate risk policies, procedures and providing coordination of the Group integrated risk management in a holistic approach.

During the financial period under review, the RMSC periodically provided the risk management report to the EXCO, ARMC and Board. The Board regularly reviewed the risk management report including assessing the extent of reasonable assurance that all identified risks are continuously being monitored and managed within the tolerable level.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The risk reports include the identification of risks, potential impact, mitigation and control procedures and evaluation of effectiveness of the mitigations and control procedures. The reports also include recommendation for further controls or indicators where necessary.

The key elements of these processes are as follows:

1. Establish and communicate within the Group on its risk framework and risk appetite.
2. Conduct risk awareness sessions by Risk Coordinator with Risk Owners on the ERM practice and on-going review sessions for continuous improvement and promoting a proactive risk management culture and environment.
3. Report on the significant risks identified by the Risk Owners to the RMSC and Risk Coordinator makes further deliberation of their risks analysis and management.
4. Review on the identified risks during the RMSC of each Risk Owners and to include updates of new risks, new factors affecting risks and improvements or further controls to be implemented. The RMSC meeting is conducted on quarterly basis chaired by the PCE of Barakah. There were five (5) RMSC meetings held during the financial period under review.
5. Presentation of a risk report summarising of significant risks to the Board through the Audit and Risk Management Committee on a semi-annual basis.

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
3. The Group's system of internal control comprises but not limited to the following activities:-
 - The ARMC comprises solely of Independent Non-Executive Directors with full access to both the internal and external auditors.
 - The ARMC meetings are held separately from Board meetings.
 - The ARMC is assisted by the company's in-house Internal Audit Department ("IAD").
4. During the financial period under review, the Board had made a review of the LOA to reflect the improvement of control and delegation for more effective management.

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 of the Group 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 ISO 9001:2008 Quality Management System and OHSAS 18001:2007 Occupational Health and Safety Management System since year 2009. The Group embraces the international standards in its operations by implementing and complying with both Management Systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3. Continuous improvements are made to our Standard Operating Procedures ("SOP") from time to time, if necessary, to meet the demands of the business and to keep abreast with the competition and new rules and regulations.
4. On 28 August 2014, the Board approved the Privacy Notice which regulates the processing of personal data in commercial transactions, in compliance with the current regulation requirement of the Personal Data Protection Act 2010 to be included as part of the Policies of the Group.

Audit

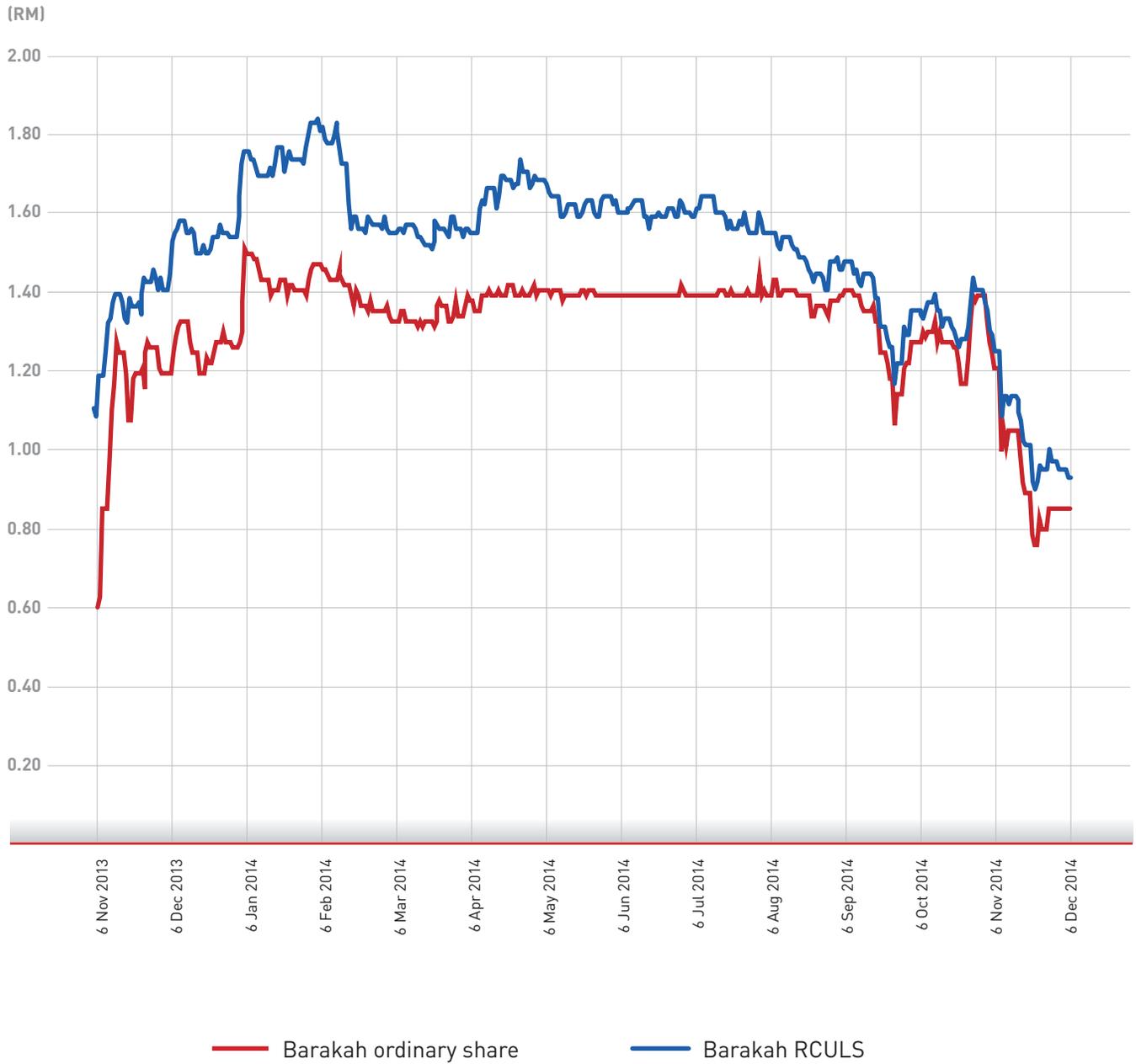
1. Throughout the period, Bureau Veritas Certification (Malaysia) Sdn Bhd conducted Annual Surveillance Audits on PBJV in relation to the ISO 9001:2008 Quality Management System and OHSAS 18001:2007 Occupational Health and Safety Management System compliances. This is to ensure that the quality system and occupational health and safety management system were consistently complied with.
2. Barakah has 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 67 of the Annual Report.

CONCLUSION

The Board is of the view that the Group's internal control system is adequate and effective to safeguard the shareholders' interest and the Group's assets. However the Board also is aware of the fact that the Group's internal control system and risk management practices must continuously evolve to meet the challenges of the changing business environment. Therefore the Board will, when necessary put in place appropriate action plans to further enhance the Group's internal control system and risk management framework.

This Statement of Risk Management and Internal Control is made in accordance with the resolution of the Board dated 5 May 2015.

SHARE PERFORMANCE



STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of the Group's and the Company's financial statements so as to 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the financial period from 1 October 2013 to 31 December 2014, the Directors have:-

- a. adopted and consistently applied appropriate accounting policies;
- b. made judgement, estimates and assumptions based on their past experience and best knowledge of current events and actions;
- c. ensured that accounting records are properly maintained; and
- d. prepared the financial statements on a going concern basis.

The Directors have also taken the necessary steps to ensure that appropriate internal controls are in place 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

1) UTILISATION OF PROCEEDS

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

Purpose	Proposed	Amount	Amount	← Deviation →		Expected timeframe for utilisation from Listing Date
	Utilisation RM'000	Utilised RM'000	Unutilised RM'000	RM'000	%	
<i>Proceeds from Issuance of Shares:</i>						
Purchase of equipment and machineries	15,400	10,893	4,507 [^]	-	-	12 months
Working capital	65,100	51,446	13,654	-	-	12 months
Estimated expenses in relation to the Restructuring Scheme and issuance of RCULS*	4,000	7,066	-	3,066	76.65	-
<i>Proceeds from issuance of RCULS:</i>						
Re-finance the borrowings of the pipe-laying accommodation barge	41,605	41,605	-	-	-	-
	126,105	111,010	18,161**			

Notes:-

[^] The balance of the proceeds will be utilised to meet the Group's general working capital requirements.

* Out of the actual expenses incurred for the Restructuring Scheme and issuance of RCULS:-

- i. RM2.59 million has been written off against the share premium account pursuant to Section 60 of the Companies Act 1965;
- ii. RM0.40 million has been written off against the equity component of the RCULS; and
- iii. the remaining of RM4.08 million has been expensed off against the Group's statement of comprehensive income from the FY 30 September 2012 till the end of the current reporting period ended 31 December 2014.

** As the actual expenses incurred was higher than budgeted, a portion of the amount allocated for working capital purposes has been utilised to fund the deficit. The balance of unutilised proceeds is RM15,095,000 (net of total listing expenses).

The deviation in the expenses incurred was mainly due to the placement fee and underwriting fee incurred in relation to the Issuance of Shares and the issuance of the RCULS of approximately RM2.11 million as well as the extension of the duration of the whole restructuring exercise undertaken by the Group.

2) SHARE BUY-BACK

The Company does not have a share buy-back scheme during the financial period from 1 October 2013 to 31 December 2014.

ADDITIONAL COMPLIANCE INFORMATION

3) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Employees' Share Option Scheme ("ESOS")

During the financial period ("FP") from 1 October 2013 to 31 December 2014, there were no further share options granted under the Employees' Share Option Scheme ("ESOS"). There was 3,411,340 units shares exercised during the FP. This options scheme will expire on 26 September 2018. A detailed breakdown of the allocation of the scheme as at 31 December 2014 is as follows:

	Directors and President & Chief Executive	Non-Executive Directors	Senior Management	Other Eligible Employees	Total
Total units of options granted	2,212,500	0	2,214,000	4,619,600	9,046,100
<i>Percentage granted to the directors and senior management</i>	← 48.9% →		51.1%		100%
Total units of options exercised	0	0	465,000	2,946,340	3,411,340
Total units lapsed due to resignation	0	0	0	237,600	237,600
Total units of options yet to exercised	2,212,500	0	1,749,000	1,435,660	5,397,160

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. At the commencement of the scheme, 48.9% of the options granted under the scheme was 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 units RCULS of RM41,604,272.40 nominal value of 5 year 3.5% RCULS of RM0.20 each to entitled existing shareholders. Bursa Malaysia approved the listing of and quotation for the said RCULS on the Main Market of Bursa Malaysia.

During the financial period from 1 October 2013 to 31 December 2014, there was 135,861,500 units RCULS of RM27,172,300 nominal value of 5-year 3.5 % RCULS of RM0.20 each were converted.

There were no other warrants or convertible securities issued by the Company during the financial period from 1 October 2013 to 31 December 2014.

4) DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial period from 1 October 2013 to 31 December 2014.

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 body during the financial period from 1 October 2013 to 31 December 2014.

6) NON-AUDIT FEES

The total non-audit fees paid and payable to the Group's external auditors during the financial period from 1 October 2013 to 31 December 2014 amounted to RM2,211,000.

7) VARIATION IN RESULTS

There were no material variations between the audited results for the financial period from 1 October 2013 to 31 December 2014 with the unaudited results previously announced.

8) PROFIT GUARANTEE

The Company and its subsidiaries did not issue any profit guarantee or profit forecast results for the financial period from 1 October 2013 to 31 December 2014.

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 period from 1 October 2013 to 31 December 2014 except as disclosed in Note 33 to the financial statements.

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

On 19 March 2014, the Company had obtained shareholders' mandate for the Company and its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue and trading nature ("RRPT") with related parties in the ordinary course of the Group's business.

In accordance with Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the aggregate value of transactions conducted pursuant to the shareholders' mandate from the date of the Second Annual General Meeting on 19 March 2014 to 31 December 2014 are as follows:

Company within the Group	Transacting Party	Nature of Transaction	Related Parties	Value of Transactions (RM'000)
PBJV Group Sdn. Bhd. ("PBJV")	HB Laboratories Sdn. Bhd. ("HB Lab")	Purchase of chemicals	Nik Hamdan Daud is a director and substantial shareholder of HB Lab and is also a director and substantial shareholder of the Company Haniza Jaffar is a director and substantial shareholder of HB Lab and is also a key management of PBJV	898
PBJV	PBJV E&C Sdn. Bhd. ("PBJV E&C")	Rental of premises located at 22A, 26 & 28 Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor	Nik Hamdan Daud is a director and substantial shareholder of PBJV E&C and is also a director and substantial shareholder of the Company Azman Shah Mohd Zakaria is a shareholder of PBJV E&C and is also a director and shareholder of the Company	360
PBJV	Ultimate Resources Pharmacy Sdn. Bhd. ("URP")	Purchase of pharmaceutical products for regular operation and project requirement	Nik Hamdan Daud is a director and substantial shareholder of URP and is also a director and substantial shareholder of Barakah	14





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 period from 1 October 2013 to 31 December 2014.

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 period.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Company and its subsidiaries was changed from 30 September to 31 December except for the subsidiary as disclosed in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial period	80,226	236
Attributable to:-		
Owners of the Company	80,270	236
Non-controlling interest	(44)	-
	80,226	236

DIVIDENDS

No dividend was paid since the end of the previous financial year.

At the forthcoming Annual General Meeting, a final single-tier dividend of 2 sen per ordinary share in respect of the current financial period will be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2015.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial period,

- (a) there were no changes in the authorised share capital of the Company;
- (b) the Company increased its issued and paid-up ordinary share capital from RM96,909,064 to RM152,667,386 by:-
- (i) the issuance of 139,518,769 new ordinary shares of RM0.20 each as part of the Restructuring Scheme entered into by the Company with Vastalux Energy Berhad ("VEB"), as disclosed in Note 40 to the financial statements. The issued and paid-up share capital was increased in the following manner:-
 - 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;
 - Issuance of Shares
The Issuance of Shares involved the issuance of up to 130,000,000 new ordinary shares of RM0.20 each in the Company to investors at an issue price of RM0.65 per share;
 - (ii) the issuance of 135,861,500 new ordinary shares of RM0.20 each resulting from the conversion of 3.5% Redeemable Convertible Unsecured Loan Stocks ("RCULS") at the rate of one (1) RM0.20 nominal amount of RCULS into one (1) fully paid-up ordinary share of RM0.20 each in the Company; and
 - (iii) the issuance of 3,411,340 new ordinary shares of RM0.20 each at RM0.65 per share pursuant to the Employees' Share Option Scheme of the Company.
- The entire new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company; and
- (c) there were no debentures issued by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, 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.

DIRECTORS' REPORT

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 15 to the financial statements.

During the financial period, no ESOS were granted by the Company.

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

Date of Offer	Exercise Price	Number Of Options Over Ordinary Shares Of RM0.20 Each			
		At 1.10.2013	Exercised	Lapsed	At 31.12.2014
27.9.2013	RM0.65	9,046,100	3,411,340	237,600	5,397,160

The options which lapsed during the financial period were due to resignations of employees.

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 setting up of 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

The contingent liabilities are disclosed in Note 36 to the financial statements. 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 period 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 period.

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 period 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

Other than the impairment loss on goodwill, gain on disposal of VEB and gain on disposal of property, plant and equipment as disclosed in Note 27 to the financial statements, the results of the operations of the Group and of the Company during the financial period 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 period 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 period.

DIRECTORS

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

Nik Hamdan Bin Daud
Rasdee Bin Abdullah
Datuk Azizan Bin Hj. Abd. Rahman
Azman Shah Bin Mohd Zakaria
Nurhilwani Binti Mohamad Asnawi
Sulaiman Bin Ibrahim
Dato' Mohamed Sabri Bin Mohamed Zain (Appointed on 7 July 2014)
Abd. Hamid Bin Ibrahim (Resigned on 12 June 2014)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	Number Of Ordinary Shares Of RM0.20 Each			
	At 1.10.2013	Bought	Sold	At 31.12.2014
The Company				
<i>Direct Interests</i>				
Nik Hamdan Bin Daud	440,936,233	985	(80,000,985)	360,936,233
Azman Shah Bin Mohd Zakaria	38,763,624	348,000	(18,500,000)	20,611,624
Sulaiman Bin Ibrahim	5	-	-	5
Nurhilwani Binti Mohamad Asnawi	5	-	-	5
<i>Indirect Interest</i>				
Nik Hamdan Bin Daud*	-	29,636,200	-	29,636,200

* Deemed interested by virtue of his direct substantial shareholding in United Power Group Holdings Limited.

	Number Of Options Over Ordinary Shares Of RM0.20 Each			
	At 1.10.2013	Granted	Exercised	At 31.12.2014
<i>Share Options of The Company</i>				
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 period 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 period had no interest in shares and options over shares of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, 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 33 to the financial statements.

DIRECTORS' BENEFITS (CONTINUED)

Neither during nor at the end of the financial period 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 DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 41 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 8 April 2015



Nik Hamdan Bin Daud



Rasdee Bin Abdullah

STATEMENT BY DIRECTORS

We, Nik Hamdan Bin Daud and Rasdee Bin Abdullah, 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 87 to 145 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 financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial period ended on that date.

The supplementary information set out in Note 43, 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 8 April 2015



Nik Hamdan Bin Daud



Rasdee Bin Abdullah

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 87 to 145 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 Petaling Jaya in Selangor Darul Ehsan
on this 8 April 2015

Before me

08 APR 2015

Guna Papoo (B338)
Commissioner for Oaths



No. 45-1, Jalan Sepah Pateri 5/1B,
Pusat Dagangan Sri Utama, PJU 5,
Kota Damansara, 47810 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 03-6140 1284



Firdauz Edmin Bin Mokhtar

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD
(Incorporated in Malaysia) Company No.: 980542-H

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 31 December 2014 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 87 to 145.

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 31 December 2014 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD
(Incorporated in Malaysia) Company No.: 980542-H

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 43 on page 146 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

8 April 2015

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Note	The Group		The Company	
		31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	97,878	97,878
Property, plant and equipment	6	302,349	305,630	1,852	2
		302,349	305,630	99,730	97,880
CURRENT ASSETS					
Trade receivables	7	202,319	104,266	-	-
Other receivables, deposits and prepayments	8	6,770	354	583	-
Tax refundable		1	2,766	-	-
Amount owing by a subsidiary	9	-	-	112,329	-
Fixed deposits with licensed banks	10	95,370	39,487	7,654	-
Cash and bank balances		153,200	17,125	16,148	423
		457,660	163,998	136,714	423
Assets held for sale	11	-	1,258	-	-
TOTAL ASSETS		760,009	470,886	236,444	98,303
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	152,667	96,909	152,667	96,909
Share premium	13	62,684	-	62,684	-
Merger deficit	14	(71,909)	(71,909)	-	-
Employees' share option reserves	15	603	969	603	969
Redeemable convertible unsecured loan stocks ("RCULS")	16	4,145	-	4,145	-
Foreign exchange translation reserves	17	(23,493)	31	-	-
Retained profits/(Accumulated losses)		227,216	146,946	36	(200)
Equity attributable to owners of the Company		351,913	172,946	220,135	97,678
Non-controlling interest		44	85	-	-
TOTAL EQUITY		351,957	173,031	220,135	97,678

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Note	The Group		The Company	
		31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	18	3,775	15,943	1,239	-
Long-term borrowings	19	183,203	207,453	1,209	-
RCULS	16	9,491	-	9,491	-
		196,469	223,396	11,939	-
CURRENT LIABILITIES					
Trade payables	22	82,719	31,431	-	-
Other payables and accruals	23	14,401	5,922	1,037	87
Amount owing to a subsidiary	9	-	-	-	476
Provision for taxation		10,216	153	3,032	62
Short-term borrowings	24	100,041	19,821	301	-
Bank overdrafts	25	4,206	17,132	-	-
		211,583	74,459	4,370	625
TOTAL LIABILITIES		408,052	297,855	16,309	625
TOTAL EQUITY AND LIABILITIES		760,009	470,886	236,444	98,303

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

	Note	The Group		The Company	
		1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
REVENUE	26	949,037	298,901	26,069	1,594
COST OF SALES		(726,379)	(175,746)	-	-
GROSS PROFIT		222,658	123,155	26,069	1,594
OTHER INCOME		14,682	1,466	1,278	-
		237,340	124,621	27,347	1,594
ADMINISTRATIVE EXPENSES		(52,934)	(26,318)	(11,228)	(1,091)
OTHER EXPENSES		(54,439)	(20,763)	(9,128)	(503)
FINANCE COSTS		(22,104)	(19,919)	(4,263)	-
PROFIT BEFORE TAXATION	27	107,863	57,621	2,728	-
INCOME TAX EXPENSE	28	(27,637)	(16,518)	(2,492)	(106)
PROFIT/(LOSS) AFTER TAXATION		80,226	41,103	236	(106)
OTHER COMPREHENSIVE INCOME					
FOREIGN CURRENCY TRANSLATION DIFFERENCE FOR FOREIGN OPERATIONS		(23,521)	41	-	-
TOTAL OTHER COMPREHENSIVE INCOME		(23,521)	41	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL PERIOD/YEAR		56,705	41,144	236	(106)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		80,270	41,131	236	(106)
Non-controlling interest		(44)	(28)	-	-
		80,226	41,103	236	(106)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		56,746	41,165	236	(106)
Non-controlling interest		(41)	(21)	-	-
		56,705	41,144	236	(106)
EARNINGS PER SHARE					
Basic	29(a)	12.62	8.49		
Diluted	29(b)	11.35	8.33		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

The Group	Share Capital RM'000	Merger Deficit RM'000	Employees' Share Option Reserves RM'000	Foreign Exchange Translation 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 1.10.2012	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:								
- Foreign currency translation differences	-	-	-	34	-	34	7	41
Total comprehensive income for the financial year	-	-	-	34	41,131	41,165	(21)	41,144
Employees' share options:								
- Granted	-	-	969	-	-	969	-	969
Balance at 30.9.2013	96,909	(71,909)	969	31	146,946	172,946	85	173,031

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

The Group	Share Capital	Share Premium	Merger Deficit	Employees' Share Option Reserves	RCULS	Foreign Exchange Translation Reserves	Retained Profit	Attributable To Owners Of the Company	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.10.2013	96,909	-	(71,909)	969	-	31	146,946	172,946	85	173,031
Profit after taxation for the financial period	-	-	-	-	-	-	80,270	80,270	(44)	80,226
Other comprehensive income for the financial period:	-	-	-	-	-	(23,524)	-	(23,524)	3	(23,521)
- Foreign currency translation differences	-	-	-	-	-	(23,524)	-	(23,524)	3	(23,521)
Total comprehensive income for the financial period	-	-	-	-	-	(23,524)	80,270	56,746	(41)	56,705
Contributions by and distributions to owners of the Company:										
Issuance of RCULS	-	-	-	-	12,334	-	-	12,334	-	12,334
Issuance of shares pursuant to:-	1,904	4,283	-	-	-	-	-	6,187	-	6,187
- Share Exchange	26,000	58,500	-	-	-	-	-	84,500	-	84,500
- Issuance of Share	27,172	591	-	-	(7,804)	-	-	19,959	-	19,959
- Conversion of RCULS	-	(2,591)	-	-	(385)	-	-	(2,976)	-	(2,976)
Share and RCULS issuance expenses	682	1,901	-	(366)	-	-	-	2,217	-	2,217
Employees' share option exercised										
Total transactions with owners	55,758	62,684	-	(366)	4,145	-	-	122,221	-	122,221
Balance at 31.12.2014	152,667	62,684	(71,909)	603	4,145	(23,493)	227,216	351,913	44	351,957

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

The Company	Share Capital RM'000	Share Premium RM'000	Employees' Share Option Reserves RM'000	RCULS RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000
Balance at 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 30.9.2013/1.10.2013	96,909	-	969	-	(200)	97,678
Profit after taxation/Total comprehensive income for the financial period	-	-	-	-	236	236
Contributions by and distributions to owners of the Company:						
Issuance of RCULS	-	-	-	12,334	-	12,334
Issuance of shares pursuant to:-						
- Share Exchange	1,904	4,283	-	-	-	6,187
- Issuance of Share	26,000	58,500	-	-	-	84,500
- Conversion of RCULS	27,172	591	-	(7,804)	-	19,959
Share and RCULS issuance expenses	-	(2,591)	-	(385)	-	(2,976)
Employees' share option exercised	682	1,901	(366)	-	-	2,217
Total transactions with owners	55,758	62,684	(366)	4,145	-	122,221
Balance at 31.12.2014	152,667	62,684	603	4,145	36	220,135

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

	Note	The Group		The Company	
		1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		107,863	57,621	2,728	-
Adjustments for:-					
Bad debts written off		1,028	122	-	-
Depreciation of property, plant and equipment		23,144	17,303	206	*
Gain on disposal of property, plant and equipment	11	(452)	-	-	-
(Gain)/Loss on disposal of a subsidiary	38	(2,221)	-	6,187	-
Impairment loss on goodwill	37	8,408	-	-	-
Interest expense		21,870	19,430	4,257	-
Interest income		(3,431)	(1,082)	(1,276)	-
Unrealised (gain)/loss on foreign exchange		(3,506)	9	-	-
Share-based payments		-	969	-	-
Operating profit before working capital changes		152,703	94,372	12,102	*
Increase in trade and other receivables		(105,481)	(52,590)	(583)	-
Increase in amount owing by subsidiary		-	-	(25,498)	-
Increase/(Decrease) in trade and other payables		59,726	(2,798)	950	66
CASH FROM/(FOR) OPERATIONS		106,948	38,984	(13,029)	66
Interest paid		(19,213)	(19,430)	(1,600)	-
Interest received		3,431	1,082	1,276	-
Income tax paid		(28,877)	(5,394)	(183)	(44)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		62,289	15,242	(13,536)	22
CASH FLOWS FOR INVESTING ACTIVITIES					
Purchase of property, plant and equipment	30	(17,927)	(4,085)	(431)	(2)
Proceeds from disposal of property, plant and equipment	11	1,710	-	-	-
Acquisition of a subsidiary, net cash and cash equivalents acquired	37	51	-	-	-
Proceeds from disposal of subsidiary	38	(51)	-	^	-
Placement of deposits pledged		(40,902)	(12,735)	(7,654)	-
NET CASH FOR INVESTING ACTIVITIES		(57,119)	(16,820)	(8,085)	(2)

Note:-

* - Denotes RM13

^ - Denotes RM1

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

	Note	The Group		The Company	
		1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Repayment to a director		-	(42)	-	-
Repayment of hire purchase obligation		(213)	(19)	(115)	-
Drawdown of term loans		182,092	-	-	-
Repayment of term loans		(224,097)	(5,285)	-	-
Drawdown of trust receipts		102,605	-	-	-
Repayment of trust receipts		(26,307)	-	-	-
Net proceeds from issuance of shares		81,909	-	81,909	-
Net proceeds from issuance of RCULS		40,642	-	40,642	-
Proceeds from exercise of employees' share options		2,217	-	2,217	-
Advances (to)/from a subsidiary		-	-	(87,307)	403
NET CASH FROM/(FOR) FINANCING ACTIVITIES		158,848	(5,346)	37,346	403
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS		164,018	(6,924)	15,725	423
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		(36)	27	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		5,971	12,868	423	#
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	31	169,953	5,971	16,148	423

Note:-

- Denotes RM3

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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 8 April 2015.

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 period.

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 period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC interpretation 21 Levies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

3. BASIS OF PREPARATION (CONT'D.)

(a) The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments) did not have any material impact on the Group's financial statements, except as follows:-

(i) The amendments to MFRS 132 provide that application guidance for criteria to offset financial assets and financial liabilities. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosure.

(b) The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

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

(i) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

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 period/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 judgement 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(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.

(viii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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.

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.

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 acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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 joint venture.

(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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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*

As at the end of the reporting period, there were no financial assets classified under this category.

- *Held-to-maturity Investments*

As at the end of the reporting period, there were no financial assets classified under this category.

- *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.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

- *Available-for-sale Financial Assets*

As at the end of the reporting period, there were no financial assets classified under this category.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Financial Instruments (Cont'd.)

(ii) Financial Liabilities

All financial liabilities are initially measured 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.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(iii) Equity Instruments

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

- *Ordinary Shares*

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.

- *Redeemable Convertible Unsecured Loan Stocks ("RCULS")*

The RCULS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCULS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The interests on RCULS are recognised as interest expense in the profit or loss using the effective interest rate method. On issuance of the RCULS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability.

The residual amount, after deducting the fair value of the liability component, is the equity component and is included in shareholder's equity, net of transaction costs. The equity component is not remeasured subsequent to initial recognition.

Transaction costs are apportioned between the liability and equity components of the RCULS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Financial Instruments (Cont'd.)

(iv) Derecognition (Cont'd.)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation 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.

Depreciation is charged to profit or loss on 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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 Company, 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. The cost of the investments includes transaction costs.

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.

(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 financial asset 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(g) Impairment (Cont'd.)

(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, in which case the reversal of the impairment loss is treated as a revaluation increase.

(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 period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(i) Income Taxes (Cont'd.)

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, 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 with original maturity periods of three months or less.

During the current financial period, the Group excluded deposits pledged to financial institutions from cash and cash equivalents for the purpose of the statements of cash flows. This change has been applied retrospectively with an adjustment made against the opening balance of the cash and cash equivalents as at 1 October 2012.

(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. The unwinding of the discount is recognised as interest expense in profit or loss.

(l) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted bases and are recognised in profit or loss 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(l) Employee Benefits (Cont'd.)

(iii) Share-based Payment Transactions

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (share options).

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital or share premium if new ordinary shares are issued.

(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 person in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(n) Revenue And Other Income

(i) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of 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 to the extent of the expenses incurred that are recoverable.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) 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.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(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 are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or 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.

(r) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(s) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(t) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	31.12.2014	30.9.2013
	RM'000	RM'000
Unquoted ordinary shares, at cost	97,878	97,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

The details of the subsidiaries are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interests		Principal Activities
		31.12.2014	30.9.2013	
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 International Limited (formerly known as PBJV Group Ltd)@*	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%	Ship-owning and other shipping related activities.

@ - 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.

(a) The statutory financial year end of PBJV Gulf Co. Ltd was 30 September 2014 and did not coincide with the Group. The subsidiary has been consolidated based on management accounts for the 15-month period ended 31 December 2014.

(b) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	%	%	RM'000	RM'000
PBJV Gulf Co. Ltd	85	85	44	85

(c) The financial information (before intra-group elimination) for a subsidiary that has non-controlling interest is not presented as it is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

6. PROPERTY, PLANT AND EQUIPMENT

	At 1.10.2013 RM'000	Additions RM'000	Transfer From/(To) RM'000	Depreciation Charge RM'000	Exchange Difference RM'000	At 31.12.2014 RM'000
The Group						
Net Book Value						
Leasehold land	1,709	-	-	(24)	-	1,685
Building	162	-	-	(48)	-	114
Computers	582	2,020	-	(1,143)	-	1,459
Furniture and fittings	722	76	-	(187)	1	612
Communication equipment	289	38	-	(74)	-	253
Machinery and equipment	24,403	10,427	-	(6,371)	-	28,459
Motor vehicles	31	2,850	-	(341)	-	2,540
Office equipment	581	191	-	(137)	-	635
Renovation	2,443	1,049	43	(500)	2	3,037
Barge	274,665	-	-	(14,319)	-	260,346
Capital work-in-progress	43	3,209	(43)	-	-	3,209
	305,630	19,860	-	(23,144)	3	302,349

	At 1.10.2012 RM'000	Additions RM'000	Transfer To Assets Held For Sale (Note 11) RM'000	Depreciation Charge RM'000	Exchange Difference RM'000	At 30.9.2013 RM'000
The Group						
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 31.12.2014			
Leasehold land	1,858	(173)	1,685
Building	440	(326)	114
Computers	4,876	(3,417)	1,459
Furniture and fittings	1,650	(1,038)	612
Communication equipment	639	(386)	253
Machinery and equipment	64,156	(35,697)	28,459
Motor vehicles	3,110	(570)	2,540
Office equipment	1,279	(644)	635
Renovation	4,825	(1,788)	3,037
Barge	286,371	(26,025)	260,346
Capital work-in-progress	3,209	-	3,209
	372,413	(70,064)	302,349
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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

The Company	At 1.10.2013 RM'000	Additions RM'000	Depreciation Charge RM'000	At 31.12.2014 RM'000
Net Book Value				
Computers	-	3	(1)	2
Furniture & fittings	-	2	*	2
Motor vehicles	-	2,051	(205)	1,846
Office equipment	2	-	*	2
	2	2,056	(206)	1,852

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 RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 31.12.2014			
Computers	3	(1)	2
Furniture & fittings	2	*	2
Motor vehicles	2,051	(205)	1,846
Office equipment	2	*	2
	2,058	(206)	1,852

At 30.9.2013			
Office equipment	2	*	2

Note:-

* - Denotes less than RM200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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

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

	The Group		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Leasehold land	1,685	1,709	-	-
Motor vehicles	2,201	29	1,846	-
Machinery and equipment	2,977	3,607	-	-
Barge	260,346	274,665	-	-
	267,209	280,010	1,846	-

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		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Building	114	162	-	-
Leasehold land	1,685	1,709	-	-
Motor vehicles	2,201	29	1,846	-
Machinery and equipment	2,977	3,607	-	-
Barge	260,346	274,665	-	-
	267,323	280,172	1,846	-

Capital work-in-progress represents cost incurred on renovation of the Group's premises as well as cost incurred in the construction of machinery and equipment.

As at the end of the reporting period, the building with a net book value of approximately RM114,184 (30.9.2013 – RM162,430), which was pledged as security for a banking facility, is in the process of being discharged as the facility granted had been fully settled in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

7. TRADE RECEIVABLES

	The Group	
	31.12.2014 RM'000	30.9.2013 RM'000
Trade receivables	200,017	96,561
Accrued revenue	2,302	7,705
	202,319	104,266

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. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Other receivables	38	85	11	-
Deposits	4,598	185	572	-
Prepayments	2,134	84	-	-
	6,770	354	583	-

Included in deposits of the Group at the end of the reporting period is an aggregate amount of RM3,931,124 (30.9.2013 – RM83,464) being deposits placed for the rental of machinery and equipment.

Included in deposits of the Company at the end of the reporting period is an aggregate amount of RM567,263 (30.9.2013 – RM NIL) being deposit paid for the purchase of a motor vehicle.

The prepayments of the Group amounting to RM1,910,963 (30.9.2013 – RM NIL) is in respect of prepayments for facility charges.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

9. AMOUNTS OWING BY/(TO) A SUBSIDIARY

	The Company	
	31.12.2014 RM'000	30.9.2013 RM'000
Amounts owing by/(to) a subsidiary:-		
Trade balance	25,498	-
Non-trade balance	86,831	(476)
	112,329	(476)

The trade balance is subject to the normal trade credit terms ranging from 60 days to 90 days. The amount owing is to be settled in cash.

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

10. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 2.35% to 3.30% (30.9.2013 – 2.70% to 4.30%) per annum. The fixed deposits have maturity period ranging from 7 days to 365 days (30.9.2013 – 30 days to 365 days).

Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was an amount of RM74,411,404 (30.9.2013 – RM33,509,470) and RM7,654,289 (30.9.2013 - RM NIL) respectively which have been pledged to several licensed banks as security for banking facilities granted to the Group and to the Company.

11. ASSETS HELD FOR SALE

	The Group	
	31.12.2014 RM'000	30.9.2013 RM'000
At 1.10.2013/1.10.2012	1,258	-
Transfer from property, plant and equipment (Note 6)	-	1,258
Disposed of during the financial period	(1,258)	-
At 31.12.2014/30.9.2013	-	1,258

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

11. ASSETS HELD FOR SALE (CONT'D.)

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 previous financial year was 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 previous 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 previous financial year amounted to RM400,000.

The abovementioned disposals were not completed as of the previous financial year 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 had transferred 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.

12. SHARE CAPITAL

	Note	The Company			
		31.12.2014	30.9.2013	31.12.2014	30.9.2013
		Number Of Shares('000)		RM'000	
Authorised					
Ordinary shares of RM0.20 each		10,000,000	10,000,000	2,000,000	2,000,000
Issued And Fully Paid-Up					
At 1.10.2013/1.10.2012		484,545	484,545	96,909	96,909
Issuance of shares pursuant to:-					
- Share Exchange	40	9,519	-	1,904	-
- Issuance of Shares	40	130,000	-	26,000	-
- Conversion of RCULS		135,862	-	27,172	-
New shares issued under the employees' share option scheme		3,411	-	682	-
At 31.12.2014/30.9.2013		763,337	484,545	152,667	96,909

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

13. SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	The Group/The Company	
	31.12.2014	30.9.2013
	RM'000	RM'000
At 1.10.2013/1.10.2012	-	-
Ordinary shares issued pursuant to:-		
- Share Exchange	4,283	-
- Issuance of Shares	58,500	-
- Conversion of RCULS	591	-
New shares issued under the employees' share option scheme	1,901	-
Share issuance expenses	(2,591)	-
At 31.12.2014/30.9.2013	62,684	-

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

14. 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.

15. 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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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

The main features of the ESOS are as follows:-(Cont'd.)

- (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:-

Date Of Offer	Exercise Price	Number Of Options Over Ordinary Shares Of RM0.20 Each			
		At 1.10.2013	Exercised	Lapsed	At 31.12.2014
27.9.2013	RM0.65	9,046,100	3,411,340	237,600	5,397,160

The options which lapsed during the financial period were due to resignations of employees.

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:-

	30.9.2013
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

16. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("RCULS")

Equity	The Group/The Company	
	31.12.2014 RM'000	30.9.2013 RM'000
At 1.10.2013/1.10.2012	-	-
Issuance of RCULS	16,638	-
Deferred tax liabilities (Note 18)	(4,304)	-
RCULS issuance expenses	(385)	-
Converted during the financial period/year	(7,804)	-
At 31.12.2014/30.9.2013	4,145	-

Non-current liabilities	The Group/The Company	
	31.12.2014 RM'000	30.9.2013 RM'000
At 1.10.2013/1.10.2012	-	-
Issuance of RCULS	24,966	-
RCULS issuance expenses	(577)	-
Converted during the financial period/year	(17,555)	-
Amortisation charge during the financial period/year	2,657	-
At 31.12.2014/30.9.2013	9,491	-

The salient terms of the RCULS are as follows:-

- | | |
|--------------------------|--|
| (a) Issue size and price | <p><u>Issue size</u>
Up to RM41,604,273 nominal value of RCULS.</p> <p><u>Issue price</u>
100% of nominal value of the RCULS of RM0.20 each.</p> |
| (b) Tenure of issue | Five (5) years from and including the date of first issuance of the RCULS ("Issue Date") and shall mature on the fifth (5th) anniversary of the Issue Date ("Maturity Date"). The RCULS were issued on 25.10.2013. |
| (c) Interest/Coupon rate | 3.5% per annum payable semi-annually during the tenure of the RCULS prior to redemption or conversion. |
| (d) Status | The RCULS constitute direct, unconditional, unsubordinated and unsecured obligations of the Company ranking pari passu without discrimination, preference or priority among themselves and at least pari passu to all present and future unsecured obligations of the Company. |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

16. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("RCULS") (CONT'D.)

The salient terms of the RCULS are as follows:- (Cont'd.)

- | | |
|-----------------------------------|---|
| (e) Conversion rights | Each RCULS can be converted into 1 new ordinary shares of RM0.20 each in the Company, on any business day after the first (1st) anniversary of the Issue Date of the RCULS until Maturity Date. Any outstanding RCULS which have not been redeemed or converted shall automatically be converted into new ordinary shares of RM0.20 each in the Company at maturity. |
| (f) Conversion price | Fixed at par value of RM0.20 per ordinary share of the Company and shall be satisfied by surrendering one (1) RCULS of nominal value of RM0.20 each for every one (1) new ordinary share in the Company. |
| (g) Status of new ordinary shares | The new ordinary shares to be issued pursuant to the conversion of the RCULS will upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares of the Company in issue except that the new ordinary shares will not be entitled to any dividends, rights, allotment or other distributions that may be declared, made or paid prior to the relevant allotment date of the said new ordinary shares. |
| (h) Redemption rights | Redemption shall be at the option of the Company, based on the par value of RM0.20 each. Redemption can only be made on a coupon payment date. Redemption, if made, shall be made pari passu to all holders of the RCULS.

If not redeemed, the RCULS shall automatically be converted into new ordinary shares of RM0.20 each in the Company at the Maturity Date. |

17. 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.

18. DEFERRED TAX LIABILITIES

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
At 1.10.2013/1.10.2012	15,943	5,078	-	-
Recognised in profit or loss (Note 28)	(14,068)	10,865	(661)	-
Issuance of RCULS (Note 16)	4,304	-	4,304	-
Conversion of RCULS	(2,404)	-	(2,404)	-
At 31.12.2014/30.9.2013	3,775	15,943	1,239	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

18. DEFERRED TAX LIABILITIES (CONT'D.)

The deferred tax liabilities are attributable to the following:-

	The Group		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances over depreciation	2,540	15,943	4	-
RCULS	1,235	-	1,235	-
	3,775	15,943	1,239	-

19. LONG-TERM BORROWINGS

	The Group		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables (Note 20)	1,437	55	1,209	-
Term loans (Note 21)	181,766	207,398	-	-
	183,203	207,453	1,209	-

20. HIRE PURCHASE PAYABLES

	The Group		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase payments:				
- not later than one year	434	24	365	-
- later than one year and not later than five years	1,563	60	1,315	-
	1,997	84	1,680	-
Less: Future finance charges	(202)	(9)	(170)	-
Present value of hire purchase payables	1,795	75	1,510	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

20. HIRE PURCHASE PAYABLES (CONT'D.)

The net hire purchase payables are repayable as follows:-

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Current (Note 24)				
– not later than one year	358	20	301	–
Non-current (Note 19)				
– later than one year and not later than five years	1,437	55	1,209	–
	1,795	75	1,510	–

21. TERM LOANS

	The Group	
	31.12.2014 RM'000	30.9.2013 RM'000
Current portion (Note 24):		
– not later than one year	22,157	19,801
Non-current portion (Note 19):		
– later than one year and not later than five years	151,335	97,253
– later than five years	30,431	110,145
	181,766	207,398
	203,923	227,199

Details of the repayment terms are as follows:-

Term Loans	Monthly Instalments	Number of Monthly Instalment	Yearly Interest Rate	Date of Commencement of Repayment	The Group	
					31.12.2014 RM'000	30.9.2013 RM'000
1	RM4,114	180	8.10%	31.7.2003	155	196
2	RM5,504	120	4.80%	27.9.2009	294	353
3	RM1,283,396	84	8.10%	1.3.2013	–	76,324
4	RM1,809,524	84	8.10%	25.3.2013	–	147,082
5	RM53,192	84	7.60%	19.6.2012	2,654	3,244
6	USD700,000	72	4.01%	16.2.2015	200,820	–
					203,923	227,199

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

21. TERM LOANS (CONT'D.)

The term loans are secured by:-

- (i) a first legal charge over certain leasehold land and building as disclosed in Note 6 to the financial statements;
- (ii) a guarantee from a director of the Group;
- (iii) a corporate guarantee from the Company and one of its subsidiary, PBJV;
- (iv) a legal debenture on equipment financed by certain banks as disclosed in Note 6 to the financial statements;
- (v) mortgage over the barge known as "Kota Laksamana 101" to a licensed financial institution as disclosed in Note 6 to the financial statements;
- (vi) an assignment of charter proceeds and charge over the Project Account to a licensed financial institution;
- (vii) an assignment of the barge's insurance policies to a licensed financial institution;
- (viii) a negative pledge from the Group not to pledge its existing asset to other bank without the licensed financial institutions' consent; and
- (ix) 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.

22. TRADE PAYABLES

	The Group	
	31.12.2014 RM'000	30.9.2013 RM'000
Trade payables	61,061	29,501
Related parties	-	392
Accrued purchases	21,658	1,538
	82,719	31,431

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

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Other payables	4,457	3,247	327	87
Accruals	9,944	2,675	710	-
	14,401	5,922	1,037	87

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

24. SHORT-TERM BORROWINGS

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Hire purchase payables (Note 20)	358	20	301	-
Term loans (Note 21)	22,157	19,801	-	-
Trust receipts	77,526	-	-	-
	100,041	19,821	301	-

The trust receipts are secured by fixed deposits and corporate guarantees provided by the Company and one of its subsidiary as disclosed in Note 10 and Note 21 to the financial statements.

25. BANK OVERDRAFTS

The bank overdrafts bore an effective interest rate of 8.29% (30.9.2013 - 8.13%) 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 10 to the financial statements;
- (ii) a guarantee from a director of the Group;
- (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.

26. REVENUE

	The Group		The Company	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Pipeline and commissioning services	374,100	176,674	-	-
Installation and construction services	574,937	122,227	-	-
Management fee	-	-	26,069	1,594
	949,037	298,901	26,069	1,594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

27. PROFIT BEFORE TAXATION

	The Group		The Company	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Audit fee	219	164	34	30
Bad debts written off	1,028	122	-	-
Depreciation of property, plant and equipment	23,144	17,303	206	*
Directors' emoluments:				
- directors' fee	701	380	701	380
- salaries, allowances and bonuses	6,236	2,640	2,477	44
- defined contribution plan	565	84	268	-
- other benefits	50	39	1	-
Interest expense:				
- bank overdrafts	723	620	-	-
- hire purchase	45	5	30	-
- term loans	15,110	18,805	-	-
- RCULS	4,201	-	4,201	-
- trust receipts	1,791	-	26	-
Rental of equipment and machineries	820	40,659	-	-
Rental of premises	891	659	-	-
Rental of motor vehicle	374	271	-	-
Staff costs:				
- salaries, allowances and bonuses	32,855	15,696	5,181	482
- defined contribution plan	4,016	2,016	620	58
- other benefits	180	124	14	1
Realised loss on foreign exchange	68	30	-	-
Corporate exercise expenses	1,403	-	1,403	-
Impairment loss on goodwill	8,408	-	-	-
Unrealised (gain)/loss on foreign exchange	(3,506)	9	-	-
Interest income:				
- fixed deposits	(2,171)	(957)	(216)	-
- cash and bank	(1,260)	(125)	(1,060)	-
Rental income	(38)	(48)	-	-
Gain on disposal of property, plant and equipment	(452)	-	-	-
(Gain)/Loss on disposal of a subsidiary	(2,221)	-	6,187	-
Share-based payments	-	969	-	-

Note:-

* - Denotes RM13

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

28. INCOME TAX EXPENSE

	The Group		The Company	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Current tax:				
– for the financial period/year	41,625	5,716	3,120	106
– under/(over)provision in the previous financial year	80	(63)	33	–
	41,705	5,653	3,153	106
Deferred tax (Note 18):				
– for the financial period/year	(14,072)	10,884	(661)	–
– under/(over)provision in the previous financial year	4	(19)	–	–
	(14,068)	10,865	(661)	–
	27,637	16,518	2,492	106

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to the profit 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	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Profit before taxation	107,863	57,621	2,728	–
Tax at the statutory tax rate of 25% (30.9.2013 – 25%)	26,966	14,405	682	–
Tax effects of:				
Non-deductible expenses	9,320	2,185	2,449	106
Income not subject to tax	(3,966)	(31)	–	–
Utilisation of deferred tax assets previously not recognised	(673)	(1)	(672)	–
Differential in tax rates	(4,094)	42	–	–
Under/(Over)provision of deferred tax in the previous financial year	4	(19)	–	–
Under/(Over)provision of income tax in the previous financial year	80	(63)	33	–
Income tax expense for the financial period/year	27,637	16,518	2,492	106

The statutory tax rate will be reduced to 24% from the current financial period's rate of 25%, effective year of assessment 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

29. 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 period/year.

	The Group	
	1.10.2013 to 31.12.2014	1.10.2012 to 30.9.2013
Profit attributable to owners of the Company (RM'000)	80,270	41,131
Weighted average number of ordinary shares in issue ('000)	635,851	484,545
Basic earnings per share (Sen)	12.62	8.49

(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 and the conversion of RCULS, on the Group's profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year.

	The Group	
	1.10.2013 to 31.12.2014	1.10.2012 to 30.9.2013
Profit attributable to owners of the Company (RM'000)	80,270	41,131
Weighted average number of ordinary shares in issue ('000)	635,851	484,545
Effects of dilution from share options granted to employees ('000)	3,143	9,046
Effect of conversion of RCULS ('000)	68,370	-
	707,364	493,591
Diluted earnings per share (Sen)	11.35	8.33

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Cost of property, plant and equipment	19,860	4,388	2,056	2
Amount financed through term loans	-	(303)	-	-
Amount financed through hire purchase	(1,933)	-	(1,625)	-
Cash disbursed for purchase of property, plant and equipment	17,927	4,085	431	2

31. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Fixed deposits with licensed banks	95,370	39,487	7,654	-
Cash and bank balances	153,200	17,125	16,148	423
Bank overdrafts	(4,206)	(17,132)	-	-
	244,364	39,480	23,802	423
Less: Deposits pledged to licensed banks	(74,411)	(33,509)	(7,654)	-
	169,953	5,971	16,148	423

32. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

33. 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) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial period/year:-

	The Group		The Company	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Company in which certain Directors have interests				
Purchases	4,535	3,138	-	-
Donations	750	559	-	-
Subsidiary				
Management fee received/receivable	-	-	26,069	1,594
Key management personnel compensation:-				
- short-term employee benefits	16,055	4,147	6,346	424

34. DIRECTORS' REMUNERATION

(a) The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial period/year are as follows:-

	The Group		The Company	
	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000	1.10.2013 to 31.12.2014 RM'000	1.10.2012 to 30.9.2013 RM'000
Executive directors:-				
- non-fee emoluments	6,661	2,719	2,556	-
- share-based payments	-	237	-	-
Non-executive directors:-				
- fee	701	380	701	380
- allowance	190	44	190	44
	7,552	3,380	3,447	424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

34. DIRECTORS' REMUNERATION (CONT'D.)

(b) Details of directors' emoluments of the Group received/receivable for the financial period/year in bands of RM50,000 are as follows:-

	The Group	
	1.10.2013 to 31.12.2014	1.10.2012 to 30.9.2013
	Number Of Directors	
<hr/>		
Executive directors:-		
RM350,001 to RM400,000	-	1
RM650,001 to RM700,000	-	1
RM1,250,001 to RM1,300,000	1	-
RM1,550,001 to RM1,600,000	1	-
RM1,650,001 to RM1,700,000	-	1
RM3,800,001 to RM3,850,000	1	-
Non-executive directors:-		
RM1 to RM50,000	-	1
RM50,001 to RM100,000	1	2
RM150,001 to RM200,000	3	-
RM200,001 to RM250,000	-	1
RM250,001 to RM300,000	1	-
	<hr/>	<hr/>
	8	7
	<hr/>	

35. CAPITAL COMMITMENTS

	The Group	
	31.12.2014 RM'000	30.9.2013 RM'000
<hr/>		
<i>Property, plant and equipment</i>		
Approved and contracted for	6,635	157
	<hr/>	

36. CONTINGENT LIABILITIES

	The Group		The Company	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Unsecured				
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	-	-	345,624	-
Bank guarantees extended to clients	88,134	-	353	-
	<hr/>			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

37. ACQUISITION OF A SUBSIDIARY

During the financial period, the Group acquired 100% equity interest in Vastalux Energy Berhad (“VEB”) as part of the Restructuring Scheme as disclosed in Note 40(a)(i) to the financial statements.

The fair values of the identifiable assets and liabilities of VEB at the date of acquisition were as follows:-

	At Date Of Acquisition	
	Carrying Amount RM'000	Fair Value Recognised RM'000
Deferred tax assets	1,492	1,492
Other receivables, deposits and prepayments	184	184
Net tax recoverable	2,048	2,048
Cash and bank balances	51	51
Other payables and accruals	(5,996)	(5,996)
Net identifiable assets and liabilities	(2,221)	(2,221)
Add: Goodwill on acquisition		8,408
Total purchase consideration		6,187
Purchase consideration settled by:		
Issuance of shares (Note 12 and Note 13)		6,187
Purchase consideration		-
Cash and cash equivalents of subsidiary acquired		51
Net cash inflow of the Group		51

The total purchase consideration was settled through 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.

VEB became a wholly-owned subsidiary of the Company on 4 October 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

38. DISPOSAL OF A SUBSIDIARY

As part of the Restructuring Scheme as disclosed in Note 40(a)(v) to the financial statements, on 25 May 2013, the Company had entered into a conditional Share Sale Agreement with Squid Ink Sdn. Bhd. for the disposal of its entire equity interests in VEB for a nominal cash consideration of RM1.00.

The disposal was completed on 6 November 2013 and as such, VEB ceased to be a subsidiary of the Company.

The disposal had the following effects on the financial position of the Group for the current financial period:-

	31.12.2014 RM'000
Deferred tax assets	1,492
Other receivables, deposits and prepayments	184
Net tax recoverable	2,048
Cash and bank balances	51
Other payables and accruals	(5,996)
	(2,221)
Net liabilities disposed of	(2,221)
Total disposal proceeds	(^)
	(2,221)
Gain on disposal to the Group	(2,221)
Disposal proceeds settled by:	
Cash	^
	^
Cash consideration	^
Cash and cash equivalents of subsidiary disposed of	(51)
	(51)
Net cash outflow of the Group	(51)

Note:-

^ - Denotes RM1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. 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 United States Dollar ("USD"), Singapore Dollar ("SGD"), Saudi Riyal ("SAR") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign currency exposure

	SGD RM'000	USD RM'000	SAR RM'000	EUR RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group							
31.12.2014							
Financial assets							
Trade receivables	-	201	-	-	-	202,118	202,319
Other receivables and deposits	-	-	9	-	-	4,627	4,636
Fixed deposits with licensed banks	-	-	-	-	-	95,370	95,370
Cash and bank balances	2	2,025	931	22	^	150,220	153,200
	2	2,226	940	22	^	452,335	455,525
Financial liabilities							
Trade payables	(408)	(1,746)	-	(206)	(5)	(80,354)	(82,719)
Other payables and accruals	-	(1,032)	(178)	-	-	(13,191)	(14,401)
Term loans	-	(200,821)	-	-	-	(3,102)	(203,923)
Trust receipts	-	-	-	-	-	(77,526)	(77,526)
Hire purchase payables	-	-	-	-	-	(1,795)	(1,795)
RCULS	-	-	-	-	-	(9,491)	(9,491)
Bank overdrafts	-	-	-	-	-	(4,206)	(4,206)
	(408)	(203,599)	(178)	(206)	(5)	(189,665)	(394,061)
Net financial (liabilities)/assets	(406)	(201,373)	762	(184)	(5)	262,670	61,464
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	200,960	(762)	-	-	(262,670)	(62,472)
Currency exposure	(406)	(413)	-	(184)	(5)	-	(1,008)

Note:-

^ - Denotes RM19

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. 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.)

	SGD RM'000	USD RM'000	SAR RM'000	EUR RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group							
30.9.2013							
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	869	22	^	11,991	17,125
	2	7,819	885	22	^	152,420	161,148
Financial liabilities							
Trade payables	(918)	(4,833)	-	-	-	(25,680)	(31,431)
Other payables and accruals	-	(1)	(63)	-	-	(5,858)	(5,922)
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)
Net financial (liabilities)/assets	(916)	2,985	822	22	^	(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

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

(i) Market Risk (Cont'd.)

(i) Foreign Currency Risk (Cont'd.)

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

Foreign currency risk sensitivity analysis

A 10% strengthening or weakening would have had immaterial effect on the profit after taxation and equity of the Group. This assumes that all other variables remain constant.

(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 39(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	
	31.12.2014	30.9.2013
	RM'000	RM'000
Effects on profit after taxation		
Increase of 100 basis points	(2,142)	(1,832)
Decrease of 100 basis points	2,142	1,832
Effects on equity		
Increase of 100 basis points	(2,142)	(1,832)
Decrease of 100 basis points	2,142	1,832

(iii) Equity Price Risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. 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.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by six (6) customers which constituted approximately 84% of its trade receivables as at the end of the reporting period.

Exposure to credit risk

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.

Ageing analysis

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
31.12.2014				
Not past due	171,039	-	-	171,039
Past due:-				
- less than 2 months	20,040	-	-	20,040
- 2 to 6 months	8,939	-	-	8,939
- over 6 months	2,301	-	-	2,301
	202,319	-	-	202,319
30.9.2013				
Not past due	83,976	-	-	83,976
Past due:-				
- less than 2 months	6,323	-	-	6,323
- 2 to 6 months	7,225	-	-	7,225
- over 6 months	6,742	-	-	6,742
	104,266	-	-	104,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

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

(ii) Credit Risk (Cont'd.)

Ageing analysis (Cont'd.)

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, 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.

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
31.12.2014						
Hire purchase payables	4.66	1,795	1,997	434	1,563	-
Term loans	4.05	203,923	231,373	30,164	170,397	30,812
Trust receipts	6.08	77,526	77,526	77,526	-	-
RCULS	15.6	9,491	16,452	505	15,947	-
Trade payables	-	82,719	82,719	82,719	-	-
Other payables and accruals	-	14,401	14,401	14,401	-	-
Bank overdrafts	8.29	4,206	4,206	4,206	-	-
		394,061	428,674	209,955	187,907	30,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

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

(iii) Liquidity risk (Cont'd.)

The Group (Cont'd.)	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
30.9.2013						
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	-	31,431	31,431	31,431	-	-
Other payables and accruals	-	5,922	5,922	5,922	-	-
Bank overdrafts	8.13	17,132	17,132	17,132	-	-
		281,759	359,799	91,962	149,863	117,974

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
31.12.2014						
Hire purchase payables	4.66	1,510	1,680	365	1,315	-
RCULS	15.6	9,491	16,452	505	15,947	-
Other payables and accruals	-	1,037	1,037	1,037	-	-
		12,038	19,169	1,907	17,262	-

30.9.2013						
Other payables and accruals	-	87	87	87	-	-
Amount owing to a subsidiary	-	476	476	476	-	-
		563	563	563	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

(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 shareholder(s) 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 that complies with the debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

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

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

	The Group	
	31.12.2014	30.9.2013
	RM'000	RM'000
Hire purchase payables	1,795	75
Term loans	203,923	227,199
Trust receipts	77,526	-
RCULS	9,491	-
Bank overdrafts	4,206	17,132
	296,941	244,406
Less: Fixed deposits with licensed banks	(95,370)	(39,487)
Less: Cash and bank balances	(153,200)	(17,125)
Net debt	48,371	187,794
Total equity	351,957	173,031
Debt-to-equity ratio	0.14	1.09

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Classification Of Financial Instruments

	The Group		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Loans and receivables financial assets</u>				
Trade receivables	202,319	104,266	-	-
Other receivables and deposits	4,636	270	583	-
Amount owing by a subsidiary	-	-	112,329	-
Fixed deposits with licensed banks	95,370	39,487	7,654	-
Cash and bank balances	153,200	17,125	16,148	423
	455,525	161,148	136,714	423
Financial liabilities				
<u>Other financial liabilities</u>				
Hire purchase payables	1,795	75	1,510	-
Term loans	203,923	227,199	-	-
Trust receipts	77,526	-	-	-
RCULS	9,491	-	9,491	-
Trade payables	82,719	31,431	-	-
Other payables and accruals	14,401	5,922	1,037	87
Amount owing to a subsidiary	-	-	-	476
Bank overdrafts	4,206	17,132	-	-
	394,061	281,759	12,038	563

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
31.12.2014								
Financial Liabilities								
Hire purchase payables	-	-	-	-	1,795	-	1,795	1,795
Term loans	-	-	-	-	203,923	-	203,923	203,923
RCULS	-	-	-	-	10,217	-	10,217	9,491

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value		Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level*			
	RM'000	RM'000	RM'000	RM'000			
30.9.2013							
Financial Liabilities							
Hire purchase payables	-	-	-	75		75	75
Term loans	-	-	-	227,199		227,199	227,199

Note:-

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
31.12.2014								
Financial Liabilities								
Hire purchase payables	-	-	-	-	1,510	-	1,510	1,510
RCULS	-	-	-	-	10,217	-	10,217	9,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Fair Value Information (Cont'd.)

The fair values of hire purchase payables, term loans and RCULS are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	31.12.2014	30.9.2013	31.12.2014	30.9.2013
	%	%	%	%
Hire purchase payables	4.66	6.28	4.66	-
Term loans	4.05	8.09	-	-
RCULS	13.40	-	13.40	-

There were no transfer between level 1 and level 2 during the financial period.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONT'D.)

(a) (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.

(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.

(c) In 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.

(d) On 21 April 2014, PBJV, a wholly-owned subsidiary of the Company, in a Consortium with CPM Construction Sdn. Bhd., was awarded a contract for the procurement, construction and commissioning of Pengerang Pipeline project at an estimated contract value of RM260 million. The project is expected to commence during the second quarter of the current financial period and is expected to be completed by the second quarter of the financial year ended 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

41. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 4 February 2015, the Company had granted 9,961,000 share options under the ESOS at an exercise price of RM0.82 per each. These options will expire on 26 September 2018.
- (b) On 6 February 2015, PBJV, a wholly-owned subsidiary of the Company, was awarded a contract for the provision of engineering, procurement, fabrication, installation, commissioning and maintenance works of pig trap system ("Contract") in Peninsular Malaysia, Sabah and Sarawak. The Contract duration is from 23 January 2015 to 22 January 2018, with an extension option of one (1) year, from 23 January 2018 to 22 January 2019. The total value of the Contract will depend on the actual work orders to be issued by the customer from time to time during the Contract period.
- (c) On 1 April 2015, the Company announced that it had incorporated a new subsidiary, PBJV Energy (Labuan) Limited with 100% equity interest comprising 100 ordinary shares of USD1.00 each for a total cash consideration of USD100.00. The intended principal activity is as an oil and gas exploration, production and development company.
- (d) On 3 April 2015, PBJV, a wholly-owned subsidiary of the Company, was awarded a contract from Kebabangan Petroleum Operating Company Sdn. Bhd. for the provision of topside maintenance services ("Contract") in Sabah. The Contract duration is for one (1) year effective from 2 April 2015 with an option for extension for a further one year. The mobilisation date for the work is expected to be on 1 May 2015.

42. COMPARATIVE FIGURES

The Group changed its financial year end from 30 September to 31 December. Accordingly, the financial statements of the Group and of the Company for the financial period ended 31 December 2014 cover a 15-month period from 1 October 2013 to 31 December 2014 as compared to the 12-month period from 1 October 2012 to 30 September 2013.

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

	The Group	
	As Restated	As Previously Reported
	RM'000	RM'000
<i>Consolidated Statements of Financial Position (Extract):-</i>		
Trade payables	31,431	29,893
Other payables and accruals	5,922	7,460
<i>Consolidated Statement of Cash Flows (Extract):-</i>		
CASH FLOWS FOR INVESTING ACTIVITIES		
Placement of deposits pledged	(12,735)	-
NET CASH FOR INVESTING ACTIVITIES	(16,820)	(4,085)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	12,868	33,642
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	5,971	39,480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

43. 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	
	31.12.2014 RM'000	30.9.2013 RM'000	31.12.2014 RM'000	30.9.2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- realised	246,227	162,807	1,275	(200)
- unrealised	(269)	(15,938)	(1,239)	-
	245,958	146,869	36	(200)
Add: Consolidation adjustments	(18,742)	77	-	-
At 31.12.2014/30.9.2013	227,216	146,946	36	(200)

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 31.12.2014
1	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)	RM795,721
2	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	RM890,025
3	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	RM114,184

* 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

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Selangor Darul Ehsan, Malaysia

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PBJV GULF CO. LTD.

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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

PBJV GROUP SDN BHD

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Tel : +603 2164 8030

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TERENGGANU

PBJV GROUP SDN BHD

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Fax : +609 827 6171

SARAWAK

PBJV GROUP SDN BHD

Sublot 9, Lot 597

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Fax : +6085 622 884

ANALYSIS OF SHAREHOLDINGS

AS AT 20 APRIL 2015

SHARE CAPITAL

Authorised Share Capital	:	RM2,000,000,000.00
Issued and Paid-Up Share Capital	:	RM159,632,520.80 comprising 798,162,604 ordinary shares
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	1,013	12.46	14,380	0.00
100 – 1,000	825	10.14	558,024	0.07
1,001 – 10,000	4,140	50.92	23,072,053	2.89
10,001 – 100,000	1,861	22.89	62,014,826	7.77
100,001 – 39,908,129 (*)				
[*: less than 5% of issued shares]	289	3.55	357,467,088	44.79
39,908,130 and above (**)				
[**: 5% and above of issued shares]	3	0.04	355,036,233	44.48
TOTAL	8,131	100.00	798,162,604	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Nik Hamdan bin Daud	360,936,233	45.221	29,636,200*	3.713
2.	Felda Investment Corporation Sdn Bhd	73,500,000	9.208	–	–

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Dato' Mohamed Sabri bin Mohamed Zain	–	–	–	–
2.	Nik Hamdan bin Daud	360,936,233	45.221	29,636,200*	3.713
3.	Datuk Azizan bin Haji Abd Rahman	–	–	–	–
4.	Sulaiman bin Ibrahim	5	0.00 [^]	–	–
5.	Nurhilwani binti Mohamad Asnawi	5	0.00 [^]	–	–
6.	Azman Shah bin Mohd Zakaria	20,611,624	2.582	–	–
7.	Rasdee bin Abdullah	–	–	–	–

* Deemed interested by virtue of his direct substantial shareholding in United Power Group Holdings Limited

[^] The percentage is negligible

LIST OF TOP 30 SHAREHOLDERS

AS AT 20 APRIL 2015

No.	Name of Shareholders	No. of Shares	%
1	NIK HAMDAN BIN DAUD	217,836,233	27.292
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMISLAMIC BANK BERHAD FOR FELDA INVESTMENT CORPORATION SDN BHD	73,500,000	9.208
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK HAMDAN BIN DAUD (3RD PARTY-UPG)	63,700,000	7.980
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR NIK HAMDAN BIN DAUD (PBCL-060059)	31,360,000	3.929
5	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR UNITED POWER GROUP HOLDINGS LIMITED (001)	29,636,200	3.713
6	MAYBANK INVESTMENT BANK BERHAD IVT 14	21,245,600	2.661
7	MAYBANK NOMINEES (ASING) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	20,756,258	2.600
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK HAMDAN BIN DAUD (021)	19,000,000	2.380
9	AZMAN SHAH BIN MOHD ZAKARIA	18,611,624	2.331
10	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NIK HAMDAN BIN DAUD	16,600,000	2.079
11	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	14,300,300	1.791
12	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK HAMDAN BIN DAUD (3RD PARTY-OTC)	12,400,000	1.553
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	10,804,400	1.353
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	8,164,417	1.022
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA ENHANCED INCOME FUND (211887)	8,024,200	1.005
16	UOBM NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD (CLIENT A/C 1)	6,892,000	0.863
17	NIK SURIANI BINTI DAUD	4,845,453	0.607
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH TEIK CHAY	4,600,000	0.576
19	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED GF)	4,500,000	0.563

**LIST OF TOP 30
SHAREHOLDERS**
AS AT 20 APRIL 2015

No.	Name of Shareholders	No. of Shares	%
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOH KIN LIP (MY0502)	4,000,000	0.501
21	AFFIN HWANG INVESTMENT BANK BERHAD EXEMPT AN CLR (YCT) FOR ARECA CAPITAL SDN BHD	3,200,000	0.400
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD FOR LEMBAGA TABUNG HAJI (CAFM)	2,996,700	0.375
23	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR ALEXIS CONSORTIUM LTD (PB)	2,690,000	0.337
24	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS GROWTH FUND	2,529,900	0.316
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD (RESIDENT) (475391)	2,300,000	0.288
26	RAHMAH BINTI ABDUL RAHIM	2,051,000	0.256
27	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZMAN SHAH BIN MOHD ZAKARIA	2,000,000	0.250
28	NG SOON TEONG	2,000,000	0.250
29	PIONEER PEGASUS SDN. BHD.	1,984,700	0.248
30	FAJAR KINABALU SDN BHD	1,923,000	0.240

ANALYSIS OF HOLDINGS OF REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“RCULS”)

AS AT 20 APRIL 2015

RCULS

Total Number of RCULS Issued : 208,021,362
 Total Number of Outstanding RCULS : 37,442,487
 Issued Price of RCULS : RM0.20

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of RCULS Holders	% of RCULS Holders	No. of RCULS Held	% of Issued RCULS
Less than 100	68	9.37	2,711	0.01
100 – 1,000	103	14.19	46,650	0.13
1,001 – 10,000	340	46.83	1,985,032	5.30
10,001 – 100,000	179	24.65	6,104,791	16.30
100,001 to 1,872,123 (*) (*: less than 5% of issued RCULS)	31	4.27	11,042,703	29.49
1,872,124 and above (**) (**: 5% and above of issued RCULS)	5	0.69	18,260,600	48.77
TOTAL	726	100.00	37,442,487	100.00

DIRECTORS' RCULS HOLDINGS

No.	Name	Direct		Indirect	
		No. of RCULS	%	No. of RCULS	%
1.	Dato' Mohamed Sabri bin Mohamed Zain	-	-	-	-
2.	Nik Hamdan bin Daud	-	-	2,726,400*	1.311
3.	Datuk Azizan bin Haji Abd Rahman	-	-	-	-
4.	Sulaiman bin Ibrahim	-	-	-	-
5.	Nurhilwani binti Mohamad Asnawi	-	-	-	-
6.	Azman Shah bin Mohd Zakaria	116,000	0.056	-	-
7.	Rasdee bin Abdullah	-	-	-	-

* Deemed interested in shares

LIST OF TOP 30 HOLDERS OF RCULS

AS AT 20 APRIL 2015

No.	Name of Shareholders	No. of Shares	%
1	CIMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KENWIN INVESTMENT LIMITED	5,572,000	14.881
2	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,784,200	10.106
3	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG STRATEGIC FUND	3,178,000	8.487
4	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH TEIK CHAY (SIN 91433-1)	3,000,000	8.012
5	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR UNITED POWER GROUP HOLDINGS LIMITED (001)	2,726,400	7.281
6	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG ASIA-PACIFIC INFRASTRUCTURE FUND	1,800,000	4.807
7	NIK SURIANI BINTI DAUD	1,615,151	4.313
8	DAMIAN DIELENBERG	764,600	2.042
9	PIONEER PEGASUS SDN. BHD.	533,000	1.423
10	ABDUL RAHIM BIN AWANG	500,000	1.335
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN BOON AUN	500,000	1.335
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR ARECA STEADY FIXED INCOME FUND (712166)	500,000	1.335
13	MOHAMAD HASIF BIN MOHD NAHAR	476,483	1.272
14	OH TEIK CHAY	357,400	0.954
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN (M14)	320,700	0.856
16	MAZLAN BIN ABDUL HAMID	300,000	0.801
17	NUR MELIZA BT MURAD	300,000	0.801
18	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHANMUGHANATHAN A/L VELLANTHURAI	255,000	0.681
19	MOHAMAD KAMIN BIN SAIN	250,000	0.667
20	MA PIN LING	242,100	0.646
21	T.O.LIM HOLDINGS SDN BHD	240,000	0.640
22	TAN KONG HENG	200,000	0.534

LIST OF TOP 30 HOLDERS OF RCULS

AS AT 20 APRIL 2015

No.	Name of Shareholders	No. of Shares	%
23	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN TONG YEE	190,000	0.507
24	NG BOO KEAN @ NG BEH KIAN	186,600	0.498
25	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	170,000	0.454
26	YAP CHIH MING	150,000	0.400
27	RHB NOMINEES (TEMPATAN) SDN BHD CHER LEE KIAT	140,000	0.373
28	U YONG DOONG @ U SUNG KWI	127,900	0.341
29	CHEW CHONG EU	125,000	0.333
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEW SOOK KHIM	120,000	0.320

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting of Barakah Offshore Petroleum Berhad (“Barakah” or “the Company”) will be held at Ballroom 1, Tropicana Golf & Country Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 11 June 2015 at 10 a.m. or any adjournment thereof, to transact the following businesses:

AGENDA

As Ordinary Business

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial period ended 31 December 2014 together with the Directors’ and Auditors’ Reports thereon. | (Please refer to Note 1 of the Explanatory Notes) |
| 2. To declare a final single-tier tax-exempt dividend of 2 sen per ordinary share for the financial period ended 31 December 2014. | 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 Nik Hamdan Bin Daud
(ii) Encik Azman Shah Bin Mohd Zakaria | Ordinary Resolution 2
Ordinary Resolution 3 |
| 4. To re-elect Dato’ Mohamed Sabri Bin Mohamed Zain who is retiring under Article 92 of the Articles of Association of the Company. | Ordinary Resolution 4 |
| 5. To approve the payment of Directors’ fees of RM701,154 for the financial period ended 31 December 2014. | Ordinary Resolution 5 |
| 6. To approve the payment of Directors’ fees of RM52,000 per month for the Non-Executive Directors with effect from 1 January 2015 until the next Annual General Meeting of the Company to be paid monthly in arrears. | Ordinary Resolution 6 |
| 7. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 7 |

As Special Business

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

8. **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 8

NOTICE OF ANNUAL GENERAL MEETING

9. PROPOSED GRANT OF ADDITIONAL ESOS OPTIONS TO NIK HAMDAN BIN DAUD, THE DEPUTY EXECUTIVE CHAIRMAN

“THAT the ESOS Committee for administering the Employees’ Share Option Scheme (“ESOS”) be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Nik Hamdan bin Daud, the Deputy Executive Chairman of the Company, options to subscribe for such number of new ordinary shares of RM0.20 each in the Company (“new Barakah Shares”) available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Malaysia Securities Berhad (“Bursa Securities”), the Main Market Listing Requirements (“MMLR”) or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options.”

Ordinary Resolution 9

10. PROPOSED GRANT OF ADDITIONAL ESOS OPTIONS TO AZMAN SHAH BIN MOHD ZAKARIA, EXECUTIVE DIRECTOR

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Azman Shah Bin Mohd Zakaria, Executive Director of the Company, options to subscribe for new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options.”

Ordinary Resolution 10

NOTICE OF ANNUAL GENERAL MEETING

11. **PROPOSED GRANT OF ADDITIONAL ESOS OPTIONS TO RASDEE BIN ABDULLAH, EXECUTIVE DIRECTOR**

"THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Rasdee Bin Abdullah, Executive Director of the Company, options to subscribe for new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options."

Ordinary Resolution 11

12. **PROPOSED GRANT OF ESOS OPTIONS TO SYED ABDUL RAHIM BIN SYED JAAFAR, PRESIDENT AND CHIEF EXECUTIVE**

"THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Syed Abdul Rahim Bin Syed Jaafar, the President and Chief Executive of the Company, options to subscribe for up to 300,000 new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options."

Ordinary Resolution 12

NOTICE OF ANNUAL GENERAL MEETING

13. PROPOSED GRANT OF ADDITIONAL ESOS OPTIONS TO NIK SURIANI BINTI DAUD

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Nik Suriani Binti Daud, Executive Director of the PBJV Group Sdn Bhd (“PBJV”), a wholly-owned subsidiary of the Company, being a person connected to Nik Hamdan bin Daud, a Director and major shareholder of the Company, options to subscribe for new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to her pursuant to the exercise of such options.”

Ordinary Resolution 13

14. PROPOSED GRANT OF ESOS OPTIONS TO DH AZIZUL BIN DAUD

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to DH Azizul Bin Daud, General Manager of PBJV, being a person connected to Nik Hamdan bin Daud, a Director and major shareholder of the Company, options to subscribe for up to 700,000 new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options.”

Ordinary Resolution 14

15. PROPOSED GRANT OF ESOS OPTIONS TO DH RAHMAN NIZAM BIN DAUD

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to DH Rahman Nizam Bin Daud, Executive of PBJV, being a person connected to Nik Hamdan bin Daud, a Director and major shareholder of the Company, options to subscribe for up to 120,000 new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options.”

Ordinary Resolution 15

16. PROPOSED GRANT OF ESOS OPTIONS TO NIK NORAI SYAH BINTI NIK HAMDAN

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Nik Noraisyah binti Nik Hamdan, an employee of PBJV, being a person connected to Nik Hamdan bin Daud, a Director and major shareholder of the Company, options to subscribe for up to 36,000 new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to her pursuant to the exercise of such options.”

Ordinary Resolution 16

NOTICE OF ANNUAL GENERAL MEETING

17. PROPOSED GRANT OF ESOS OPTIONS TO ADIB AZFAR BIN AZMAN SHAH

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Adib Azfar Bin Azman Shah, an Executive of PBJV, being a person connected to Azman Shah bin Mohd Zakaria, a Director of the Company, options to subscribe for up to 40,000 new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options.”

Ordinary Resolution 17

18. PROPOSED GRANT OF ESOS OPTIONS TO ACHMED EZANEE BIN SYED ABDUL RAHIM

“THAT the ESOS Committee for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Achmed Ezanee Bin Syed Abdul Rahim, an Executive of PBJV, being a person connected to Syed Abdul Rahim bin Syed Jaafar, the President and Chief Executive of the Company, options to subscribe for up to 30,000 new Barakah Shares available to be issued under the ESOS PROVIDED THAT:-

- (a) not more than 50% of the new Barakah Shares available under the ESOS shall be allocated, in aggregate, to the Directors and Senior Management of Barakah Group; and
- (b) not more than 10% of the new Barakah Shares available under the ESOS shall be allocated to an Eligible Person who, either singly or collectively through persons connected with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

subject always to the provisions of the By-Laws of the ESOS, any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT the Directors of the Company be and are hereby authorised to issue and allot such number of new Barakah Shares to him pursuant to the exercise of such options.”

Ordinary Resolution 18

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Third Annual General Meeting to be held on 11 June 2015, a final single-tier tax-exempt dividend of 2 sen per ordinary share for the financial period ended 31 December 2014 will be paid on 10 July 2015 to Depositors registered in the Record of Depositors at the close of business on 26 June 2015. A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred to such Depositor's securities account before 4.00pm on 26 June 2015 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Secretaries

Date: 20 May 2015

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 4 June 2015 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.
7. Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or an adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations

NOTICE OF ANNUAL GENERAL MEETING

and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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 8

Resolution pursuant to Section 132D of the Companies Act, 1965

The Company had, during its Second AGM held on 19 March 2014, obtained its shareholders’ approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 8 proposed under item 8 of the Agenda seeks the shareholders’ approval of a general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. The mandate, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 10% of the issued share capital of the Company at the time of issue (other than bonus or rights issue) for such purposes as Directors consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding investment project(s), working capital and/or acquisition. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

3. Ordinary Resolutions 9 to 18

Proposed Grant of Additional ESOS Options to Nik Hamdan bin Daud
Proposed Grant of Additional ESOS Options to Azman Shah bin Mohd Zakaria

Proposed Grant of Additional ESOS Options to Rasdee bin Abdullah

Proposed Grant of ESOS Options to Syed Abdul Rahim bin Syed Jaafar

Proposed Grant of Additional ESOS Options to Nik Suriani binti Daud

Proposed Grant of ESOS Options to DH Azizul bin Daud

Proposed Grant of ESOS Options to DH Rahman Nizam bin Daud

Proposed Grant of ESOS Options to Nik Noraisyah binti Nik Hamdan

Proposed Grant of ESOS Options to Adib Azfar bin Azman Shah

Proposed Grant of ESOS Options to Achmed Ezanee bin Syed Abdul Rahim

In accordance with the MMLR, Ordinary Resolutions 9 to 18 are to seek shareholders’ approval for the Company to offer and grant Options to the Directors, President and Chief Executive of the Company and Persons Connected, to participate in the ESOS.

The Directors of the Company namely Nik Hamdan bin Daud, Azman Shah bin Mohd Zakaria, and Rasdee bin Abdullah are deemed interested in the respective resolutions pertaining to the grant of ESOS options to each of them and/or Persons Connected and accordingly have abstained and shall continue to abstain from deliberation and voting in respect of their direct and indirect interest in the Company and will ensure that persons connected with them will abstain from voting in respect of their direct and indirect interest in the Company, in the respective allocation to them and Person Connected to them.

PROXY FORM



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 _____

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 Third Annual General Meeting of the Company to be held at Ballroom 1, Tropicana Golf & Country Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 11 June 2015 at 10 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	Declaration of a final single-tier tax-exempt dividend of 2 sen per ordinary share		
Ordinary Resolution 2	Re-election of Encik Nik Hamdan Bin Daud as Director		
Ordinary Resolution 3	Re-election of Encik Azman Shah Bin Mohd Zakaria as Director		
Ordinary Resolution 4	Re-election of Dato' Mohamed Sabri Bin Mohamed Zain as Director		
Ordinary Resolution 5	Approval of the payment of Directors' fees of RM701,154 for the financial period ended 31 December 2014		
Ordinary Resolution 6	Approval of the payment of Directors' fees of RM52,000 per month for the Non-Executive Directors to be paid monthly in arrears		
Ordinary Resolution 7	Re-appointment of Messrs Crowe Horwath as the Company's Auditors and to authorise the Directors to fix their remuneration		
Ordinary Resolution 8	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares		
Ordinary Resolution 9	Proposed Grant of Additional ESOS Options to Nik Hamdan bin Daud		
Ordinary Resolution 10	Proposed Grant of Additional ESOS Options to Azman Shah bin Mohd Zakaria		
Ordinary Resolution 11	Proposed Grant of Additional ESOS Options to Rasdee bin Abdullah		
Ordinary Resolution 12	Proposed Grant of ESOS Options to Syed Abdul Rahim bin Syed Jaafar		
Ordinary Resolution 13	Proposed Grant of Additional ESOS Options to Nik Suriani binti Daud		
Ordinary Resolution 14	Proposed Grant of ESOS Options to DH Azizul bin Daud		
Ordinary Resolution 15	Proposed Grant of ESOS Options to DH Rahman Nizam bin Daud		
Ordinary Resolution 16	Proposed Grant of ESOS Options to Nik Noraisyah binti Nik Hamdan		
Ordinary Resolution 17	Proposed Grant of ESOS Options to Adib Azfar bin Azman Shah		
Ordinary Resolution 18	Proposed Grant of ESOS Options to Achmed Ezanee bin Syed Abdul Rahim		

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:

_____		<u>Percentage</u>
Signature/Common Seal	Proxy 1	%
	Proxy 2	%
Date: _____	Total	100%

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 4 June 2015 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.

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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

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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

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