



ANNUAL REPORT
2024



EMPOWERING RESILIENCE
NAVIGATING THE FUTURE



VISION

Excel in providing unique services to the industries



MISSION

To be competitive and innovative without compromising safety and quality

Focus Business Activities

Barakah Group is now a total service provider that is capable of, but no limited to the following:



Offshore pipeline, cable and structure installations

- Installation of offshore pipeline (S-lay) and riser (stalk-on/subsea spool tie-in)
- Installation of flexible pipelines and submarine cables
- Heavy lift, jacket launch, float-over, and offshore structure transportation and installation
- Pipeline and structure repairs – subsea pipeline sectional replacement, jackets repairs
- Shore approach – pipeline beach-pull & surface towing, pipeline pre/post trenching and rock dumping
- Pipeline/cable crossing, offshore diving and related underwater works including free span correction/ installation
- Mooring chains, anchor piles and subsea PLEM/PLET installation for FSO/FPSO



Pipeline Pre-Commissioning and De-Commissioning

- Cleaning, gauging and hydro-testing
- Vacuum or air drying
- Flushing, de-oiling, pigging
- Flooding and water leak testing
- Dewatering and nitrogen packing
- Nitrogen leak testing
- Degassing and preservation
- Water extraction system from sea or river



Underwater Inspection, Repair and Maintenance

- Utilizing main/support vessels DPDSV : air & saturation diving systems and remotely operated vehicles
- SMART flange, mechanical connector and PLIDCO clamp used for pipeline underwater repair
- Carry out pipeline surveys and inspections
- Survey and calibration for cathodic protection
- Installation of a clamp and anode
- Survey using Flooded Member Detection (FMD)
- Hydrographic analysis
- Pipeline End Manifold (PLEM) and Single Buoy Mooring (SBM) maintenance
- Measuring the thickness of steel plates
- Mapping surveys underwater welding and cleaning
- Broad and detailed visual examination tasks



Topside Major Maintenance, Hook Up & Commissioning

- Construction engineering, work-packing and work-scheduling preparation
- Pre-fabrication work for process pipework and structural steel onshore
- Offshore hook up: install and commission pre-fabricated structural steel, process pipe, mechanical equipment, electrical system and instrument control system

- Facilities up-grading, tie-ins and commissioning
- Upkeep of offshore installations
 - structural strengthening and repair
- Painting and blasting works
- Vessel cleaning and maintenance



Onshore and Offshore EPCIC

- EPCIC of onshore gas transmission pipeline
- Mechanical and piping erection for on-site processing plant
- Minor fabrication services, shutdown maintenance services
- Process facilities of a modest to medium size that use EPCIC
- Single Point Mooring (SPM) and Single Buoy Mooring (SBM) offshore to onshore construction : include subsea flexible pipeline, floating hose, marine hawser, mooring chains, anchor piles and subsea amenities (spool,PLEM etc.)



De-Commissioning Of Offshore Structures & Topsides Including Preservation and Abandonment

- Major platforms: including subsea facilities and pipelines
- FPSO/FSO, SPM/SBM and all the piping system and facilities
- Facilities Deactivation – Disconnection and removal of the flowline, umbilical, power cable
- Assets preservation and mothballing: pipeline, structure and topside facilities
- Cleaning of assets including vessels, structures and pipelines
- Disposal of assets for fish reefs or at storage onshore yard



Marine Vessels Chartering, Ship Management and Logistic

- Pipelay barge, DPDSV vessel, DP2 vessel
- Derrick lay barge and Combi barge
- Accommodations work barge: DP2 and anchored barge
- Work boat and support vessel



Renewable Energy & Technology

- EPCIC and asset owned of renewable energy power plant: includes evaluating technology, designing plant, sourcing materials, constructing facility and commissioning
- Mineral mining and assets: extract geological valuable minerals, operation maintenance and asset owning
- Storage tankage: fabrication, installation and operation maintenance of various type of tanks
- Wind vertical power turbine: installation, site assessment, integration into the existing electrical grid, operation and maintenance
- Asset management & operations: new technology on systematic approach of maintaining, upgrading, and managing physical assets and operations

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12th Annual General Meeting



Broadcast Venue

Level 6, Menara Mitraland,
No 13A, Jalan PJU 5/1,
Kota Damansara PJU 5,
Selangor Darul Ehsan



Time

2.30 p.m.



Date

28 November 2024



We are committed to making a difference in the environment. Play your part by opting to download a softcopy of the annual report and/or documents at <https://ir2.chartnexus.com//barakah/investor-relations/annual-reports.php> or by scanning the QR codes

CORPORATE PROFILE

Barakah Offshore Petroleum Berhad (“Barakah” or “the Company”) was incorporated in Malaysia on 1 March 2012 as an investment holding company for PBJV Group Sdn Bhd (“PBJV”) and its subsidiary companies. The strength of PBJV is driven by its unwavering commitment to excellence and delivering result, backed by sound technical expertise and ability to resolve matters to exceed clients’ expectation.



The business of PBJV started in August 2000 in offshore pipeline services. PBJV has since grown to become one of Malaysia’s leading companies in pipeline 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.

Within 6 years by 2006, PBJV expanded its business activities into offshore transportation and installation works, hook-up and commissioning, onshore pipeline construction, pipeline services, underwater inspection services and chartering of marine vessels and equipment.

PBJV continued to expand its capability with people and asset and in November 2013 was listed on the Main Board of Bursa Malaysia Securities Berhad under Barakah. By then, PBJV was recognized as one of the main contractors in offshore pipeline/ structure installation and hook-up and commissioning when it secured long-term contracts with major clients. In executing the projects, PBJV recognized the implementation of good Quality, Health, Safety and Environment (“QHSE”) practices are critical to the achievement of Man – Hours without Loss-Time Injuries (“LTI”).



“

As at 30 June 2024, we delivered **RM5.1 billion** worth of work to the industries and achieved **13,052,414 million** Man-Hours without LTI since 26 October 2016.

”

Due to increased market challenges and competition, Barakah and its subsidiaries are looking at new technologies and forming new partnerships to enhance their capabilities. These developments have the potential to capture additional capabilities and business revenues from Malaysian and international industries.

Barakah is committed to its goal of “Providing Exceptional Services to the Industries with Full Compliance of QHSE and Achieving On-Time Schedule” by leveraging its extensive expertise, capabilities and resources.

DATO’ SRI NIK HAMDAN BIN DAUD

Non-Independent Executive Chairman
Barakah Offshore Petroleum Berhad



CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

- Dato' Sri Nik Hamdan bin Daud**
Non-Independent Executive Chairman
- Dato' Sri Azman Shah bin Mohd Zakaria**
Non-Independent Executive Director,
Group President & Chief Executive Officer
- Dato' Rasdee bin Abdullah**
Non-Independent Executive Director,
President & Chief Executive, PBJV Group Sdn Bhd
- Khairiah binti Hj Othman**
Independent Non-Executive Director
(Appointed w.e.f 28 May 2024)
- Azaman bin Sharif**
Independent Non-Executive Director
(Appointed w.e.f 28 February 2024)
- Tengku Ngah Putra bin Tengku Ahmad Tajuddin**
Independent Non-Executive Director
(Appointed w.e.f 8 August 2023)
- Datuk Mohd Zaid bin Ibrahim**
Independent Non-Executive Chairman
(Resigned w.e.f 11 October 2024)
- Sulaiman bin Ibrahim**
Senior Independent Non-Executive Director
(Resigned w.e.f 28 February 2024)
- Nurhilwani binti Mohamad Asnawi**
Independent Non-Executive Director
(Resigned w.e.f 28 February 2024)
- Dr Rosli bin Azad Khan**
Independent Non-Executive Director
(Resigned 4 October 2023)

AUDIT AND RISK MANAGEMENT COMMITTEE

Khairiah binti Hj Othman (Chairperson)
Azaman bin Sharif
Tengku Ngah Putra bin Tengku Ahmad Tajuddin

NOMINATION AND REMUNERATION COMMITTEE

Azaman bin Sharif (Chairman)
Khairiah binti Hj Othman
Tengku Ngah Putra bin Tengku Ahmad Tajuddin



CORPORATE INFORMATION

ESOS COMMITTEE

Azaman bin Sharif (Chairman)
Khairiah binti Hj Othman
Dato' Rasdee bin Abdullah

EXECUTIVE COMMITTEE

Dato' Sri Azman Shah bin Mohd Zakaria (Chairman)
Dato' Rasdee bin Abdullah
Megat Khairulazhar bin Khairodin
Haniza binti Jaffar
Ahmad Azrai bin Abu Bakar

COMPANY SECRETARIES

Wong Mee Kiat
 (MAICSA 7058813)
 (SSM PC No. 202008001958)

Lim Hi Heong
 (MAICSA 7054716)
 (SSM PC No. 202008001981)

REGISTERED OFFICE

Level 5, Tower 8 Avenue 5,
 Horizon 2 Bangsar South City
 59200 Kuala Lumpur
 T: +603 2280 6388
 F: +603 2280 6399
 E: listcomalaysia@acclime.com

SHARE REGISTRAR

Boardroom Share Registrar Sdn Bhd
 11th Floor, Menara Symphony
 No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13
 42600 Petaling Jaya
 Selangor Darul Ehsan
 T: +603 7890 4700
 F: +603 7890 4670
 E: bsr.helpdesk@boardroomlimited.com

STOCK EXCHANGE

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

Shariah-Complaint Ordinary Shares
 Stock Name: BARAKAH
 Stock Code: 7251

WEBSITE

<https://www.barakahpetroleum.com>

AUDITORS

HLB Ler Lum Chew PLT
 A-23-1, Level 23, Hampshire Place Office,
 157 Hampshire, No. 1, Jalan Mayang Sari,
 Off Jalan Tun Razak,
 50450 Kuala Lumpur
 T: +603 7890 5588

SOLICITORS

Fairuz Ali & Co.
 B1-18-3, Level 3,
 Space U8 Mall, No.6,
 Persiaran Pasak Bumi,
 Taman Bukit Jelutong,
 Seksyen U8,
 40150 Shah Alam
 Selangor Darul Ehsan
 T: +603 5036 9336/9337
 F: +603 5037 2938

PRINCIPAL BANKERS

Export-Import Bank of Malaysia Berhad
 Malayan Banking Berhad

FINANCIAL PERFORMANCE

	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000
Revenue	83,931	136,317	133,875
Profit before taxation	91,783	1,083	42,710
Profit after taxation attributable to owners of the Company	83,741	(3,998)	42,797
EBITDA*	8,842	13,557	(13,984)
EBITDA* Margin (%)	11%	10%	(10%)
Total assets	182,467	176,360	141,159
Total borrowings	48,892	51,748	51,915
Total cash	32,032	60,704	46,259
Total Equity attributable to owners of the Company	(4,684)	(15,054)	25,878
Return on assets (%)	46%	-2%	30%
Return on shareholders' equity (%)	N/A	N/A	165%
Net gearing (%)	N/A	N/A	201%
Basic EPS (sen)	8.74	(0.40)	4.27
Diluted EPS (sen)	N/A	N/A	N/A



* Earnings Before Interest, Taxes, Depreciation, and Amortization Calculation



AWARDS AND ACHIVEMENTS

2001

- **HSE Performance Award - 1 Million Man-hours Without LTI**
 - PETRONAS Carigali Sdn Bhd
 - TL Offshore Sdn Bhd

2002

- **Installation of Platforms & Pipelines for ANCSI 2001 Projects**
 - TL Offshore Sdn Bhd

2003

- **HSE Performance Award - 2.4 Million Man-hours Without LTI**
 - TL Offshore Sdn Bhd

2004

- **Member Of Indonesian Pipeline Industry Association**
 - Indonesian Pipeline Industry Association (IPIA)

2007

- **Awarded Certificate of Appreciation from PETRONAS for WEST Lutong Pipeline Replacement Project**
 - PETRONAS Carigali Sdn Bhd
- **HSE award 2007 – ZERO TRCF**
 - PETRONAS Carigali Sdn Bhd

2006

- **Awarded as a Vendor Development Project Contractor from PETRONAS for Pre-Commissioning and De-commissioning for Upstream Sector Works 5 years duration**
 - PETRONAS Carigali Sdn Bhd

2005

- **Certificate of Appreciation A Successful & Early Samarang Start-up Without LTI Incident**
 - PETRONAS Carigali Sdn Bhd

AWARDS AND ACHIEVEMENTS

2008

- **Outstanding HSE Performance - HSE ConCon**
- PETRONAS Carigali Sdn Bhd
- **Labuan Gas Terminal HSE Award for 1.5 Million Man-Hours without LTI**
- PETRONAS Carigali Sdn Bhd
- PETRONAS Methanol Labuan
- **Appreciation of Contribution**
- Ethylene Malaysia Sdn Bhd
- Polyethylene Malaysia Sdn Bhd
- **HSE Performance Merit Award**
- PETRONAS Carigali Sdn Bhd
- **Awarded Contract from PETRONAS for Pre-Commissioning, Commissioning, De-Commissioning and Associated Service for 3 years contract**
- PETRONAS Carigali Sdn Bhd

2009

- **Safety Recognition for Hurt-Free Operations <100,000 Manhours>**
- ExxonMobil Exploration and Production Malaysia Inc
- **Best KPI Achiever 2009**
- PETRONAS Carigali Sdn Bhd
- **Awarded HSE Bronze Medal among PETRONAS Contractor for year 2008**
- PETRONAS Carigali Sdn Bhd

2012

- **5 STAR Rating**
- SME Corp. Malaysia
- **High Performance BUMIPUTRA Company**
- SME Corp. Malaysia
- **Outstanding Vendor Awards 2012**
- PETRONAS Carigali Sdn Bhd

2011

- **100% Achievement in PMO Integrated Turnaround May 2011**
- PETRONAS Carigali Sdn Bhd

2010

- **Achievement 1.5 Million Man-hours Worked without LTI for year 2010**
- SME Corp. Malaysia

AWARDS AND ACHIEVEMENTS

2014

- **2.5 Million Safe Manhours (2012-2014)**
- Carigali Hess Operating Company Sdn Bhd

2016

- **SMEP Q3 2016 Top Safety Interventions**
- Shell Sarawak Berhad

2017

- **Focused Recognition**
- PETRONAS Carigali Sdn Bhd
- **PM304 Planned Shutdown 2017**
- Petrofac (PM-304 Malaysia) Limited
- **Significant Improvement in Greenbanding Score**
- Shell Sarawak Berhad

2018

- **Focused Recognition - DABAI PROJECT**
- ASEAN Bintulu Fertilizer Sdn Bhd
- **HSE Engagement Forum - (Contractor HSE Excellence Award)**
- EnQuest Petroleum Production Malaysia
- **Certificate of Appreciation “Safe Result” Year 2018**
- EnQuest Petroleum Production Malaysia
- **Certificate of Appreciation “800,000 Man-Hours LTI Free” Year 2013 - Year 2018**
- Petrofac (PM-304 Malaysia) Limited
- **Mega OSH Tool Box 2018**
- DOSH Putrajaya
- **Workplace Accident Free Week (WAFEW) 2018**
- DOSH Putrajaya
- **Focused Recognition – Inspection, Repair, and Maintenance (IRM)**
- PETRONAS Carigali Sdn Bhd
- **Systematic Occupational Health Management Level Programme (SOHELP) - PBJV (4 Star)**
- DOSH Terengganu

AWARDS AND ACHIEVEMENTS

2019

- Outstanding and Excellent HSE Performance**
- EnQuest Petroleum Production Malaysia
- Outstanding HSE Reporting Performance and Zero Recordable Incidents**
- IPC Malaysia B.V.
- Petrofac Malaysia HSE Forum**
- Petrofac (PM-304 Malaysia) Limited
- Focused Recognition - DABAI PROJECT**
- ASEAN Bintulu Fertilizer Sdn Bhd

2020

- Certificate of Contractor MD Merit Awards for Notable HSE Achievement**
- EnQuest Petroleum Production Malaysia

2024

- 4 Star Ranking for HSE Compliance and Work Completion**
- IPC Malaysia B.V.
- 2024 Bertam Mini Shutdown**
- IPC Malaysia B.V.
- FPSO Bertam Hull Painting**
- IPC Malaysia B.V.
- COT C5 Tank Repair Campaign 2024**
- IPC Malaysia B.V.
- Acknowledgement for SAREX OMSAR 2024**
- IPC Malaysia B.V.

2023

- Excellent Safety Achievement for 5 years Lost Time Injury Free**
- Petrofac (PM-304 Malaysia) Limited

2021 - 2022

- Outstanding HSE Performance for the year of 2022**
- IPC Malaysia B.V.
- Continuous Improvement in HSE Management and Performance 2021/2022**
- Jadestone Energy (Malaysia) Pte Ltd

BOARD OF DIRECTORS

○ **Dato' Sri Azman Shah bin Mohd Zakaria**
Non-Independent Executive Director
Group President & Chief Executive Officer



○ **Dato' Sri Nik Hamdan bin Daud**
Non-Independent Executive Chairman



○ **Dato' Rasdee bin Abdullah**
Non-Independent Executive Director
President & Chief Executive,
PBJV Group Sdn Bhd



○ **Khairiah binti Hj Othman**
Independent Non-Executive Director



○ **Azaman bin Sharif**
Independent Non-Executive Director



○ **Tengku Ngah Putra bin Tengku Ahmad Tajuddin**
Independent Non-Executive Director






PROFILE OF BOARD OF DIRECTORS



DATO' SRI NIK HAMDAN BIN DAUD

Non-Independent Executive Chairman

 Nationality	 57 Age	 Male
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Meeting Attendance
BOD: 5/5



- Dato' Sri Nik Hamdan bin Daud, aged 57, a Malaysian and is the founder and Executive Director of PBJV Group Sdn Bhd and Barakah Offshore Petroleum Berhad. Holding position as Non-Independent Executive Chairman, he continuously drives the company with various accomplishment in the oil and gas industry.
- Dato' Sri Nik Hamdan commenced his oil and gas career with ExxonMobil before becoming an entrepreneur. He is self-driven and motivated with 29 years of experience in serving various reputable local and international clients.
- He has contributed excellent track record to the offshore and onshore sectors by developing and delivering more than RM5.0 billion of jobs. With his leadership, exceptional achievements and the company towards very challenging periods and with future success to come.
- Graduated with Bachelor of Science in Electrical/Electronic Engineering from Worcester Polytechnic institute MA, USA in 1989, Dato' Sri Nik Hamdan holds directorship in several private limited companies.

PROFILE OF BOARD OF DIRECTORS

DATO' SRI AZMAN SHAH BIN MOHD ZAKARIA

Non-Independent Executive Director
Group President & Chief Executive Officer



Nationality

60

Age



Male

Meeting Attendance

BOD: 5/5



- Dato' Sri Azman Shah bin Mohd Zakaria, aged 60, a Malaysian, and was appointed to the Board of Barakah Offshore Petroleum Berhad on 14 May 2012 as an Executive Director. He is one of the founding members of PBJV and is currently the Group President & Chief Executive Officer of Barakah Group effective from 12 October 2024. He has served as Deputy Group President & Chief Executive Officer since 2019.
- Dato' Sri Azman Shah has more than 20 years' experience in the oil and gas industry, mainly in the areas of offshore pipeline installation, pre-commissioning and other related service. He started his career as an Aircraft Technician in 1988 with AIROD Sdn Bhd. In 1994, he joined Sukitronics Sdn Bhd as a project Engineer and subsequently, Projass Engineering where he headed the mechanical and piping construction team for power plant fabrication and construction work. He joined PTIS (M) Sdn Bhd as a Operation Manager in 1998 and headed the company's pre-commissioning and commissioning project and operations. In 2000, he joined PBJV as General Manager and led the company in pre-commissioning and commissioning, T&I, onshore pipeline, HUC project and operations.
- Dato' Sri Azman Shah also holds directorships in several private limited companies. He graduated with a Higher Diploma in Mechanical and Manufacturing Engineering and BTEC Diploma in Mechanical and Manufacturing Engineering from Wigan and Leigh Technical Collage (Salford University), Greater Manchester, UK in 1994. He is also a qualified gas pipeline licensed contractor with the Energy Commission of Malaysia.
- He is the chairman of Executive Committee of Barakah.






PROFILE OF BOARD OF DIRECTORS



DATO' RASDEE BIN ABDULLAH

Non-Independent Executive Director
President & Chief Executive,
PBJV Group Sdn Bhd

 Nationality	 54 Age	 Male
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Meeting Attendance

BOD: 4/5



- Dato' Rasdee bin Abdullah, aged 54, a Malaysian, was appointed to the Board Barakah Offshore Petroleum Berhad on 14 May 2012 as an Executive Director. He is also the President & Chief Executive of PBJV Group Sdn Bhd and has assumed the role since 2014.
- He has over 30 years of experience in areas such as project management, engineering, procurement, construction and commissioning on onshore and offshore oil and gas facilities. He started his career in 1994 and has served a few local oil and gas main contractor such as Drexel Bakti Oilfield Sdn Bhd, MMC Engineering & Service Sdn Bhd, Shapadu Energy and Engineering Sdn Bhd and Ranhill Engineers and Constructors Sdn Bhd.
- Dato' Rasdee also holds directorship in other private limited companies. He graduated with a Bachelor of Science in Mechanical Engineering from university of Tulsa, Oklahama, USA in 1993.
- He is a member of Executive Committee.

PROFILE OF BOARD OF DIRECTORS

KHAIRIAH BINTI HJ OTHMAN

Independent Non-Executive Director



Nationality

49

Age



Female

Meeting Attendance

BOD: Nil

ARMC: Nil

NRC: Nil




- Khairiah binti HJ Othman, aged 49, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 28 May 2024 as an Independent Non-Executive Director. She graduated with Degree of Bachelor of Accountancy from MARA Institute of Technology. She is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA").
- She was the Supervisor Accountant and Senior Accounts Executive since January 1999 to August 2022, and mainly responsible in stock valuations, costing and general accounts reconciliations.
- She has more than 20 years of working experience in accounting field. Other than that, she supported foreign branch in Indonesia in the finance operations and at the same time overseeing all finance, audit and taxations in the Company, including analysis in accounting data, preparing reports and providing financial information to regional office.
- She is the Chairperson of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee and ESOS Committee.
- There were no meetings held following her appointment as Independent Non-Executive Director for the Financial Year Ended 30 June 2024.



PROFILE OF BOARD OF DIRECTORS



AZAMAN BIN SHARIF Independent Non-Executive Director

 Nationality	 62 Age	 Male
--	--	---

Meeting Attendance

BOD: 1/1



ARMC: 1/1





NRC: 1/1



- Azaman Bin Sharif, aged 62, a Malaysian, was appointed to the Board of Barakah Offshore Petroleum Berhad on 28 February 2024 as an Independent Non-Executive Director.
- Azaman has more than 33 years of working experience of which 30 years was in Oil & Gas Industry. He started his career with Contractor, Government, Consultant and National Oil Company. His past experience covered strategic planning, final investment decision, economic, risk analysis, field development plan, subsurface activities, project management and supply chain management.
- He graduated with Degree in Civil Engineering from MARA Institute of Technology in 1986, and in 2006 with Graduate Certificate in International Management from University of Melbourne, Australia.
- He is the Chairman of the Nomination and Remuneration Committee and ESOS Committee and member of the Audit and Risk Management Committee.

PROFILE OF BOARD OF DIRECTORS

TENGGU NGAH PUTRA BIN TENGKU AHMAD TAJUDDIN Independent Non-Executive Director

 Nationality	57 Age	 Male
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Meeting Attendance BOD: 5/5 ○ ● ○ ○ ○ ○ ○ ○	ARMC: 5/5 ○ ● ○ ○ ○ ○ ○ ○
NRC: 3/4 ○ ○ ○ ● ○ ○ ○ ○	

- Tengku Ngah Putra bin Tengku Ahmad Tajuddin, 57, a Malaysian, was appointed to the Board of Director of Barakah Offshore Petroleum Berhad on 8 August 2023 as an Independent Non-Executive Director.
- Currently, he is Corporate Advisor to a subsidiary of another public listed company and the Chief, Oil & Gas Cluster of Majlis Tindakan Ekonomi Melayu Bersatu Berhad (MTEM) unit under Malay Chamber of Commerce Malaysia.
- Achievement during his tenure with MTEM, he manages to resolve licensing and payment issues on behalf of bumiputra companies with the support of PETRONAS. He also successful advocated to increase charter-rates and vessel age approval by PETRONAS.
- He initiated the LESTARI programme with PETRONAS for bumiputra companies to scale up Vendor Development Program (VDP) and collaborate with Human Resource Development Corporation (HRDC) for talent development.
- He has more than 35 years of experience in management, public land transportation, freight forwarding and export of Malaysian product to Eastern Europe and Central Asia (markets include Croatia, Russian, Iran, Iraq and Libya).
- He is a member of Audit and Risk Management Committee, Nomination and Remuneration Committee and ESOS Committee.

• **Disclaimer:** The above Directors have no family relationship with any Director and/or major shareholder of Barakah, have no conflict of interest with Barakah and have not been convicted of any offence within the past 5 years other than traffic offences. None of the Directors hold any directorship in other public companies.



PROFILE OF SENIOR MANAGEMENT



MEGAT KHAIRULAZHAR BIN KHAIRODIN

Chief Financial Officer



Nationality

51

Age



Male

Megat Khairulazhar bin Khairodin, male, aged 51, a Malaysian, is the Chief Financial Officer of Barakah Offshore Petroleum Berhad. He was appointed to the position on the 14 October 2019. He has more than 27 years experience corporate finance, financial services, project and tender evaluation, mergers and acquisitions, fund raising, cash management, budgeting and controls and asset management.

Prior to joining Barakah, Megat Khairulazhar was the Group Strategy and Transformation Officer of Prasarana Malaysia Berhad and was the Group Chief Financial Officer since 2016. His career with Prasarana Malaysia started back in 2002 where he was the Head of Corporate Finance Department. He was the key personnel involved in the take over initiative of rail from PUTRA-LRT, STAR-LRT and Monorail as well as buses from Intrakota and Cityliner and also the Langkawi Cable Car and Penang Ferry concession.

Before joining Prasarana, Megat Khairulazhar was with Project Usahama Transit Ringan Automatik Sdn Bhd, formerly known as PUTRA-LRT, a concession company under Renong Berhad Group that design, construct and operate the LRT System 2 Kuala Lumpur. Megat Khairulazhar graduated with a Bachelor of Science (Hons) in Accounting from University of Hull, United Kingdom and an Associate Member on the Institute of Certified Management Accountants Of Australia.

He is a member of Executive Committee.

HANIZA BINTI JAFFAR

Vice President of Finance and Administration



Nationality

49

Age



Female

Haniza Binti Jaffar, female, aged 49, a Malaysian, is the Vice President of Finance and Administration at Barakah Offshore Petroleum Berhad. She heads the Finance and Accounts & Information Technology and Administration departments of Barakah Offshore Petroleum Berhad. She is in-charge of the treasury, working capital, financial management and reporting in compliance with Malaysian Financial Reporting Standards, policy and procedures, cash flow management and financial resource planning in support of the operations of the Group together with information technology and administration. She has over 25 years of experience in finance, accounting and treasury functions. She started her career in 1998 as Accounts Executive with several limited companies, where she was involved in financial management reporting, office management, project financing and project development scheduling. She joined PBJV Group Sdn Bhd as Heads of Finance and Accounts in 2001. She was promoted to General Manager of Group Finance and Accounts in 2011 and to the current positions in 2014.

Haniza graduated with a Bachelor's Degree in Accountancy from University (Institute) Technology Mara in 1999. She is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

She is a member of Executive Committee.

PROFILE OF SENIOR MANAGEMENT



AHMAD AZRAI BIN ABU BAKAR

Vice President of Operations



Nationality

61

Age



Male

- Ahmad Azrai bin Abu Bakar, male, aged 61, a Malaysian, was appointed the Vice President of Operations at PBJV Group Sdn Bhd (“PBJV”) on November 2014. He is in-charge of project management and deliveries of the Group. He has 36 years of experience in project management, execution and deliveries.
- Ahmad Azrai joined PBJV as General Manager of Operations in 2006. He started his career as a Marine Engineer with Malaysian International Shipping Corporation Bhd in 1986. In 1988, he joined Chiyoda Malaysia Malaysia Sdn Bhd as Construction Superintendent. Three years later, he joined Nigata Engineering Sdn Bhd as Construction Supervisor. In 1992, he joined Sri Takada (M) Sdn Bhd as a Field Engineer. A year later, he took on the role of Senior Mechanical Engineer and subsequently Site Manager with Projass Engineering Sdn Bhd.
- From 1995 to 1997, he moved up the ranks from superintendent in Toyo Engineering Corporation and Nigata Engineering Corporation Japan to Project Manager in Ramgate System Sdn Bhd. In 1998, he joined Pakaruji Sdn Bhd as Engineering Inspector before moving to OGP Technical Services Sdn Bhd as Senior Static Planner. In 2000, he joined Dialog Engineering and Construction Sdn Bhd as Construction Manager before moving to MMC Engineering & Service Sdn Bhd in 2003.
- Ahmad Azrai graduated with a Diploma in Marine Engineering from Politeknik Ungku Omar, Ipoh, Perak in 1986.
- He is a member is Executive Committee.

- **Disclaimer:** The above Senior Management have no family relationship with any Director and/or major shareholder of Barakah, have no conflict of interest with Barakah and have not been convicted of any offence within the past 5 years other than traffic offence. None of the Senior Management held any directorship in other public companies.

MANAGEMENT DISCUSSION AND ANALYSIS



Dear Valued Shareholders,

On behalf of Barakah Offshore Petroleum Berhad (“Barakah” or “the Group”), we are pleased to present the Management Discussion and Analysis (MD&A) for the financial year ended 30 June 2024 (“FY2024”). This report outlines the significant strides Barakah has made as we navigate an evolving industry landscape characterised by economic uncertainties and volatile oil prices. Through our unwavering commitment to operational efficiency and strategic growth, we reflect on the year’s accomplishments, acknowledge the challenges ahead and reaffirm our commitment to delivering sustainable, long-term value to our shareholders.

Dato' Sri Azman Shah bin Mohd Zakaria
Non-Independent Executive Director
Group President & Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Brent crude oil prices ranged between USD 83-85 per barrel throughout the year, underscored the need for industry players to remain agile and innovative, optimising their operations to adapt to ongoing market shifts.



USD 83-85

Overview of the financial year

The global energy landscape in FY2024 witnessed significant volatility and rapid transformation, driven by geopolitical tensions, fluctuating commodity prices, and an accelerating shift toward sustainable energy solutions. The ongoing Russia-Ukraine conflict, coupled with unrest in the Middle East, highlighted the fragility of global energy markets, raising concerns over supply security. These geopolitical challenges, combined with inflationary pressures, rising interest rates and broader economic uncertainties, impacted energy demand patterns and added complexity to the sector.

Nevertheless, the oil and gas sector demonstrated resilience and is poised for continued growth. A strong recovery in global demand and a cautiously optimistic market outlook paved the way for renewed activity. Emerging markets played a critical role in this resurgence, while strategic production adjustments by key oil-producing nations helped stabilise the market. Brent crude oil prices ranged between USD 83-85 per barrel throughout the year, underscored the need for industry players to remain agile and innovative, optimising their operations to adapt to ongoing market shifts.¹

During the year, the oil and gas industry witnessed a cautious recovery, with investment spending gradually increasing, signaling a return to pre-pandemic activity levels, as highlighted by the *PETRONAS Activity Outlook 2024-2026*.² However, oil prices, which spiked early in the year due to geopolitical tensions, experienced significant volatility as global central banks raised interest rates to combat inflation, raising concerns about a potential economic slowdown. Despite these challenges, energy demand remained strong, especially for natural gas, as Europe steadily reduced its dependence on Russian energy supplies.



¹ International Energy Agency (IEA), Oil Market Report; OPEC, Monthly Oil Market Report.

² PETRONAS Activity Outlook 2024-2026, (<https://www.petronas.com/>).

MANAGEMENT DISCUSSION AND ANALYSIS

Malaysia's GDP is expected to grow between 4-5% in 2024, according to data from Bank Negara Malaysia (BNM) driven by resilient private consumption and investment. The IMF 2024, Article IV Consultation similarly projected GDP growth of 4.3%, with inflation expected to rise to 2.9%.³ The oil and gas sector remained a vital component of the national economy, benefitting from the resurgence in global energy demand.

While Malaysia was not immune to the effects of the Russia-Ukraine conflict, the steady rise in oil prices and the introduction of new government policies aimed at fiscal consolidation helped the local energy sector navigate these turbulent times. Furthermore, the reinstatement of Barakah's PETRONAS license during the year opened new tender opportunities and bolstered the company's resilience amid fluctuating oil prices and uncertainties.

Despite the volatile environment, Barakah demonstrated remarkable adaptability and operational efficiency and capitalised on the recovery of the oil and gas industry by securing key project wins and expanding its regional footprint. These strategic efforts, coupled with effective cost management, enabled Barakah to post a solid financial performance in FY 2024, highlighting its ability to navigate through external challenges and seize growth opportunities in a rapidly evolving sector.

The sector is well-positioned to seize future opportunities, driven by the ability to respond to evolving market dynamics and technological advancements. The Group focuses on enhancing operational efficiency, embracing digitalisation, and exploring new growth avenues, ensuring it remains competitive in a rapidly evolving global energy landscape. As the world transitions toward sustainable energy, The Group is committed to capitalising on emerging trends and delivering long-term value to its stakeholders.

Financial Performance Review

Revenue and Profitability

For the financial year ended 30 June 2024, the Group achieved a total revenue of RM134 million, representing a 2% decrease compared to RM136 million in FY 2023, mainly due to fewer work orders from existing contracts.

Despite the slight reduction in revenue, the Group's Profit After Tax (PAT) also improved markedly, growing by 1,208% from a loss of RM4 million in FY2023 to RM 44 million in FY2024. This boost in PAT is mainly attributable to the reversal of accrued purchases during the financial year.

Gross Profit Margin

The Group's gross profit margin increased significantly from 19% in FY2023 to 61% in FY2024. This improvement was primarily attributed to the reversal of accrued purchases during the financial year.

Segmental Performance

The Hook-up & Commissioning and Maintenance (HUCM) segment experienced a revenue decline of 20%, from RM130 million in FY2023 to RM105 million in FY2024, primarily due to decreased work orders.

Transportation & Installation segment saw remarkable growth, with revenue surging by 100%, from nil in FY2023 to RM27 million in FY2024, mainly driven by the SPM 2 Replacement Project, which significantly boosted Barakah's overall top-line performance.

Other segments faced a substantial decline in revenue, by 56%, from RM6 million in FY2023 to RM3 million in FY2024, due to vessel charters in specific operational regions has been completed in FY2023. The Group, however, plans to counter this by expanding its services to new geographical markets in FY2025.

³ Bank Negara Malaysia Annual Report 2023 (<https://www.bnm.gov.my/publications/ar2023>)

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gross profit margin increased significantly from 19% in FY2023 to 61% in FY2024.



The Group's Profit After Tax (PAT) also improved markedly, growing by 1,208% from a loss of RM4 million in FY2023 to RM44 million in FY2024.



Cash Flow and Liquidity

Barakah's cash and cash equivalents declined from RM64 million in FY2023 to RM49 million in FY2024, primarily due to the outflow of cash for ongoing projects. Despite the decrease in liquidity, the Group remains well-positioned to meet its operational and capital expenditure requirements while continuing to explore new project opportunities for future growth.

Balance Sheet Review

Despite the operational progress, Barakah's net asset position has improved to RM27 million as compared to a net liability position of RM15 million, reflecting the impact of legacy issues such as the reversal of accrued purchases and waiver of debt arising from global settlement with a creditors.

Foreseeable Strategies and Opportunities

Barakah is strategically poised to align its growth trajectory with PETRONAS's future outlook, capitalising on emerging opportunities within the oil and gas sector. Several key focus areas are expected to drive Barakah's long-term growth and diversification:

Increased Upstream Activities

PETRONAS's expansion of upstream activities presents significant growth opportunities for Barakah, particularly in pipeline and commissioning services. According to the PETRONAS 2023 Activity Outlook, the national oil company plans to sustain its upstream momentum with 99 wells slated for drilling in 2024. In addition, PETRONAS's ongoing Plug and Abandonment (P&A) projects are creating new contract opportunities for service providers like Barakah, particularly in the maintenance and decommissioning sectors. Barakah's involvement in the Pan Malaysia Maintenance, Construction, and Modification (PM-MCM) contract positions the company to leverage these developments, which align seamlessly with its core expertise and service offerings.⁴



Commitment to Sustainability and ESG Compliance

PETRONAS's heightened focus on sustainability and carbon reduction initiatives presents new growth opportunities for Barakah, particularly in sustainable project development. PETRONAS is actively advancing various sustainability-focused projects as part of its commitment to achieving Net Zero Carbon Emissions by 2050. Barakah's strategic alignment with PETRONAS's broader sustainability agenda positions the company to explore potential collaborations in environmental stewardship and carbon reduction efforts, paving the way for long-term growth in line with PETRONAS's future-focused goals.⁴



Source reference:

⁴ Petronas Integrated Report 2023 (<https://www.petronas.com/integrated-report-2023/assets/pdf/PIR2023%20PETRONAS%20An%20Overview.pdf>)

MANAGEMENT DISCUSSION AND ANALYSIS

Decommissioning and Asset Management

PETRONAS is accelerating its decommissioning efforts as part of a broader asset management strategy aimed at retiring and dismantling aging offshore oil platforms. This initiative aligns well with Barakah's expertise in decommissioning, positioning the company to capitalise on the expanding market in this area. PETRONAS's focus on reducing its carbon footprint and optimising existing assets is expected to create recurring business opportunities for Barakah within this segment, reinforcing its role as a key player in decommissioning services.⁵



International Expansion and Strategic Partnerships

PETRONAS's expanding international footprint, particularly through its ventures in new energy markets, presents a significant opportunity for Barakah to broaden its presence beyond Malaysia. PETRONAS has recently entered new markets, such as offshore wind projects in Asia and solar energy in Australia. Barakah's aspirations for international expansion, exemplified by its past projects in Brunei, align well with PETRONAS's global strategy. By leveraging PETRONAS's partnerships and international growth, Barakah is well-positioned to extend its services into new markets and explore potential joint ventures.⁵



Diversification into Infrastructure projects

Barakah has strategically diversified into non-oil and gas sectors, such as infrastructure projects. Building on its extensive expertise in offshore and onshore pipeline services, the Group is now focusing on civil works. This expansion reduces the company's reliance on the volatility of oil prices, paving the way for more stable revenue streams in industries less susceptible to geopolitical uncertainties.



Barakah can strengthen its position within the domestic oil and gas industry and diversify its revenue streams by expanding into international markets and sustainable energy projects through these strategic areas.

Operational Review

1. Pan Malaysia Maintenance, Construction, and Modification (PM-MCM):

This contract remains a major contributor to Barakah's revenue, with extensions secured until **December 2024**. The Group delivered critical services across multiple platforms, further solidifying its position as a trusted oil and gas industry partner.

2. SPM2 Replacement Project (Brunei):

Barakah's international footprint was expanded through this high-profile project commissioned by **Brunei Shell Petroleum Co Sdn Bhd**. The project demonstrated Barakah's technical expertise in engineering, fabrication and commissioning services, highlighting its ability to execute complex offshore projects.



⁵ Petronas Integrated Report 2022 (<https://www.petronas.com/integrated-report-2022/>)

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Achievements and Challenges

The Group reached a significant safety milestone, achieving 13,052,414 safe man-hours without a Lost Time Injury (LTI), demonstrating its commitment to upholding high HSE standards.



13,052,414 safe man-hours

Despite persistent supply chain challenges and inflationary pressures in the oil and gas sector during the year, Barakah managed these hurdles by enhancing its procurement strategies and optimising operational efficiencies, enabling the Group to maintain project timelines and sustain profitability.

Risk Management

Key risks and mitigation strategies:

Barakah continues to monitor and address the following key risks:



Geopolitical and Market Risks:

Global oil price volatility significantly challenges Barakah's operations. In response, the Group is diversifying into non-oil and gas sectors, such as infrastructure projects, to reduce its dependence on fluctuating oil markets and achieve a more balanced revenue portfolio.



Operational Risks:

Barakah has strengthened its supply chain management and implemented cost optimisation measures to manage material price fluctuations and external pressures, ensuring efficient operations and resilience in the face of market uncertainties.



Financial Risks:

Given that a substantial portion of the Group's debt is USD-denominated, Barakah has adopted foreign exchange hedging strategies to mitigate currency risk, thereby safeguarding its financial stability.

Corporate Governance

Sustainability management

Our core priority remains returning back to profitability and improving our financial position. To this end, we continue monitoring the market to identify new commercial opportunities. Given our challenging financial position, our approach with respect to sustainability matters is mainly to comply with existing regulatory requirements. To this end, we continue to monitor changes in regulatory and legal requirements with respect to our operations.

Detailed disclosure of our key sustainability risks and opportunities is outlined in our Sustainability Statement Section on pages 30 to 61 of the Annual Report.

Health, Safety and Environment (HSE) Review

Barakah reinforced its commitment to Health, Safety, and Environment (HSE) standards by achieving zero Lost Time Injuries (LTIs), demonstrating the Group's approach to safeguarding its workforce and operations. Meanwhile, the "Think Family, Work Safely", campaign continues to be a cornerstone of the Group's safety culture.



MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Recovery and Growth Plan



Regularisation of Financial Conditions

At this point, Barakah's top priority is the regularisation of its PN17 status. The Group is taking decisive steps to strengthen its financial position and expand its portfolio by exploring new projects and assets, through new tenders and strategic partnerships to secure high-value contracts.



Cost Rationalisation and Efficiency

Continuous efforts to streamline operational costs remain a priority, focusing on executing existing contracts efficiently to sustain cash flow and profitability.



Marketing and Sale of Kota Laksamana 101

The Group is actively marketing its Kota Laksamana 101 pipelay barge, with ongoing discussions with potential buyers. The successful sale of this key asset is expected to generate substantial liquidity, which will be instrumental in improving Barakah's balance sheet and strengthening its financial footing.



New Ventures and Opportunities

The Group remains focused on exploring opportunities in the non-oil and gas sector, such as infrastructure projects, by leveraging its existing resources and technical expertise. This expansion strategy will provide the Group with another revenue stream and reduce its reliance on the oil and gas sector.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook and Prospects

Based on projections from Bank Negara Malaysia and insights from industry experts such as PETRONAS and the International Energy Agency (IEA), Malaysia's real GDP growth for 2024 is anticipated to range between 4.0% and 5.0%, driven by resilient domestic demand, a recovery in external sectors and positive developments in key industries, including oil and gas. This positive outlook signals a stable business environment for Barakah, presenting potential opportunities in the upstream oil and gas and infrastructure projects, as companies increase activities in line with PETRONAS's Activity Outlook.

Looking ahead to 2025, the implementation of the National Energy Transition Roadmap (NETR) is expected to create further opportunities in maintenance, decommissioning and engineering services, as Malaysia transitions towards cleaner energy while maintaining a strong oil and gas sector. PETRONAS's ongoing investments in upstream activities, including well-drilling and production infrastructure, combined with the global energy transition outlined by the IEA, will open new avenues for Barakah to expand its service offerings.

By aligning its strategies with these economic trends, government policies and the evolving energy landscape, Barakah is well-positioned to capitalise on new projects in the upstream and non-oil and gas sectors.



SUSTAINABILITY STATEMENT

● Introduction

● This Sustainability Statement (“Statement”) reflects Barakah Offshore Petroleum Berhad and its subsidiaries (“Barakah”, “the Company”, or “our”) efforts and performance in managing its material Economic, Environmental, Social (“EES”) risks and opportunities, in the manner prescribed by Bursa Malaysia Main Market Listing Rules (“MMLR”).

SUSTAINABILITY STATEMENT



Reporting Framework

This statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by GRI Standards, which serves as the foundation for the Statement’s reporting framework.



Reporting Scope

This sustainability statement covers Barakah Offshore Petroleum Berhad and all its subsidiaries within our business sector for the financial year end June 30, 2024 (“FYE 2024”, “the year”, and “Reporting Period”). Unless mentioned otherwise, this statement excludes joint ventures. The basis for this exclusion is that we do not have any operational control over these entities.

Where relevant, we will also include data from previous years to track year on year progress and to provide additional context. This statement addresses our response to 11 material topics which impact our business and our ability in delivering value to all our stakeholders.



Assurance Statement

The information presented in this statement has not undergone verification by our internal audit function or any other independent assurance provider.

The Board through management will re-evaluate the necessity to obtain limited assurance on selected information disclosed in the statement through engagement with key stakeholders such as bankers, investors, and customers.

SUSTAINABILITY STATEMENT

Sustainability Strategy

At Barakah, our sustainability strategy is built on four pillars: workplace, marketplace, environment, and community. They guide our pursuit of economic growth while upholding a professional code of conduct, fostering a positive workplace with continuous employee development, minimising environmental impact, and engaging with communities to support the underprivileged.



As part of our effort to enhance our sustainability strategy, we have begun integrating sustainability risks into our overall risk management approach. We recognise the importance of ESG concerns and understand their potential impact on our business operations and stakeholders. Additionally, we introduced disclosures on climate risks and opportunities following the Task Force on Climate-related Financial Disclosures (TCFD) recommendations during this reporting period.

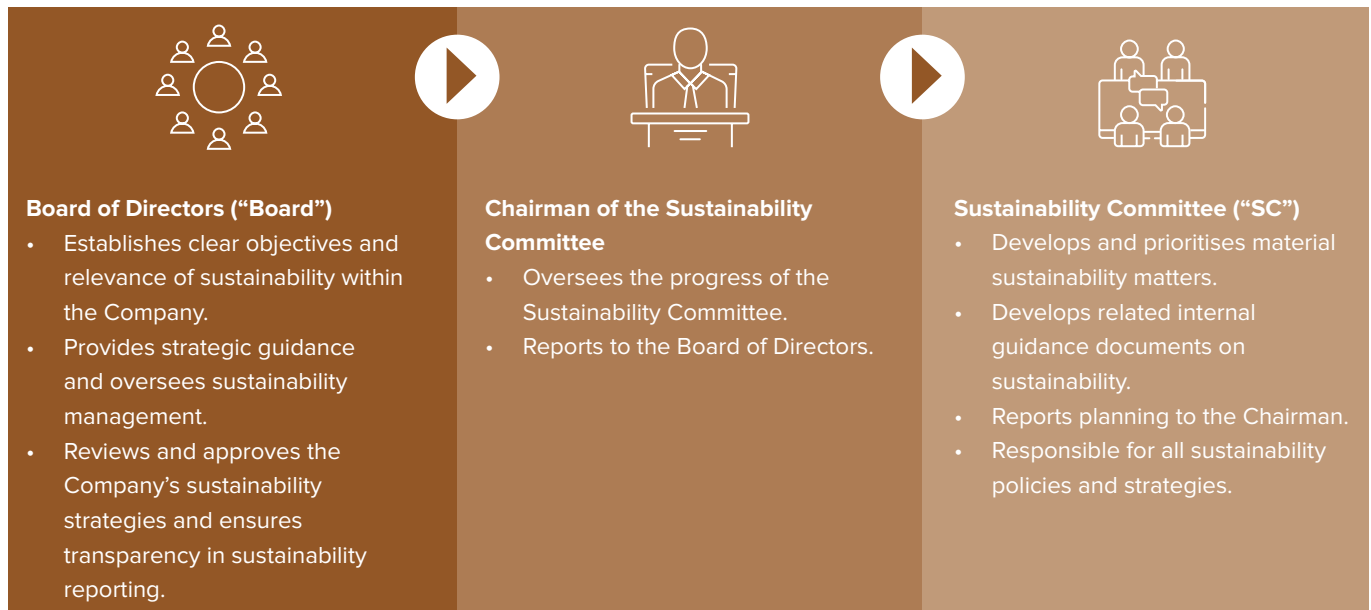
SUSTAINABILITY STATEMENT

Sustainability Governance

Barakah complies with the Malaysian Code of Corporate Governance (“MCCG”) in its sustainable and overall corporate governance practices. For detailed information on Barakah’s corporate governance practices, please refer to the Corporate Governance section on pages 62 to 71 of the Annual Report.

The sustainability governance structure at Barakah is overseen by the Board of Directors. The Chairman of the Sustainability Committee leads the Sustainability Committee (SC). The SC divided into three groups; Economic, Social and Environment. All three teams are tasked with ensuring the implementation of sustainability strategy throughout the company.

The following outlines the roles and responsibilities of Barakah’s sustainability governance structure:



Economic

- Economic Performance
- Anti-Corruption
- Supply Chain Management
- Energy Sector Opportunities

Social

- Health, Safety & Security
- Human Capital Management
- Community Engagement
- Data Privacy & Security

Environment










- Emissions Management
- Water Management
- Waste Management

SUSTAINABILITY STATEMENT







Stakeholder Engagement

We maintain active communication across platforms to understand the needs and expectations of our stakeholders, including employees, regulatory authorities, customers, suppliers, local communities, investors, and bankers. These matters are discussed with key internal stakeholders such as business leaders, top management, and risk owners in SC meetings chaired by the Chairman.

The table below shows the details on their interests, engagement methods, and frequency of interaction.

 Our Stakeholders	 Stakeholder Interests	 Engagement Methods	 Frequency of Engagement
Employees 	<ul style="list-style-type: none"> Fair remuneration Career development and progression opportunities Work life balance Safe and conducive workplace 	<ul style="list-style-type: none"> Training programme Management visits Sport activities Toolbox meetings 	<ul style="list-style-type: none"> Regularly Quarterly visit Regularly Daily
Regulatory Authorities 	<ul style="list-style-type: none"> Regulatory compliances Keeping abreast of policy and regulatory changes 	<ul style="list-style-type: none"> Policy briefings Consultation sessions and conferences ISO and certificates compliance 	<ul style="list-style-type: none"> Regularly Regularly Annually
Customers 	<ul style="list-style-type: none"> Performance Reviews Contractor’s Engagement Sessions Industry Conference and Networking Events 	<ul style="list-style-type: none"> Customer feedback and surveys Meetings 	<ul style="list-style-type: none"> Quarterly Monthly
Suppliers 	<ul style="list-style-type: none"> Suppliers’ evaluation Establish price agreement/ contract for cost optimisation 	<ul style="list-style-type: none"> Supplier assessment review and performance Site visits and supervision Maintaining good relationship 	<ul style="list-style-type: none"> Regularly Regularly Regularly
Local Communities 	<ul style="list-style-type: none"> Creating a positive impact on the surrounding communities Responsible corporate citizen-giving back to the community Employment opportunity 	<ul style="list-style-type: none"> Corporate Social Responsibility (“CSR”) programmes Staff engagement programmes Public engagement programmes Internship programme 	<ul style="list-style-type: none"> Regularly Regularly Regularly Regularly

SUSTAINABILITY STATEMENT

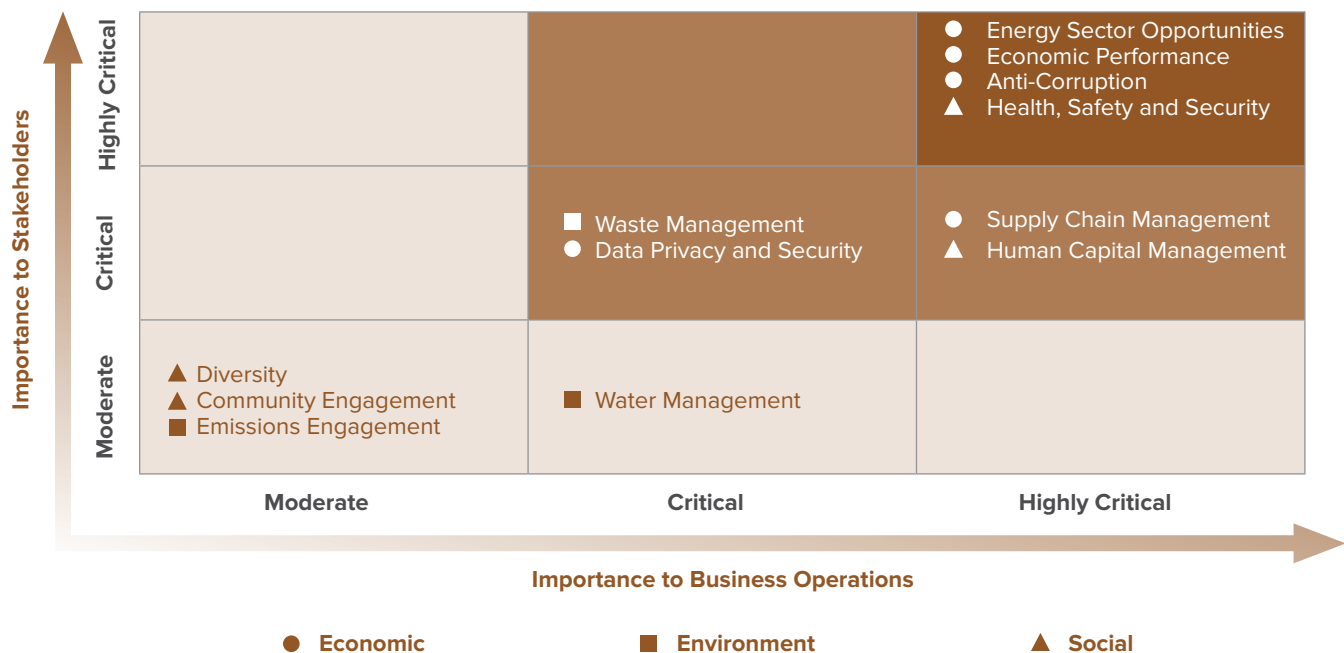
 Our Stakeholders	 Stakeholder Interests	 Engagement Methods	 Frequency of Engagement
Investors 	<ul style="list-style-type: none"> Stable and sustainable distribution of income Solid financial performance Timely and transparent reporting Prudent risk management 	<ul style="list-style-type: none"> Statutory announcements Annual general meetings Annual report Financial report and Investor Briefing 	<ul style="list-style-type: none"> Regularly Annually Annually Quarterly
Bankers 	<ul style="list-style-type: none"> Business growth and stability Sustainable cashflow Compliance to facilities condition 	<ul style="list-style-type: none"> Meetings and continuous correspondence Annual review 	<ul style="list-style-type: none"> Regularly Annually

Materiality Assessment

Through stakeholder engagement, referencing relevant sustainability frameworks, and conducting desktop research on material ESG topics from industry peers, Barakah has identified, assessed and prioritised significant topics crucial to the company’s operations and influencing stakeholder decisions.

The materiality matrix below plots these topics on the x-axis according to their importance to operations and on the y-axis based on their criticality in influencing stakeholder decisions for FYE2024.

FYE2024 Materiality Matrix



SUSTAINABILITY STATEMENT



ECONOMIC



Economic Performance

Amidst increased market challenges and competition, along with our financial distress status, we recognise that our economic performance remains the primary concern of our stakeholders.

During this reporting period, we generated revenue of RM133.9 million, while the total economic value distributed to stakeholders was RM142.0 million. Although the value distributed exceeds the value generated, this reflects our commitment to invest in our workforce and other stakeholder benefits. Despite financial constraints, we remain dedicated to support those who are crucial to our operations.

RM (Million)	FYE2024	FYE2023	FYE2022
Economic Value Generated	133.9	136.3	83.9
Less: Economic Value Distributed, which consist of:	142.0	136.2	76.6
• Payment to Suppliers/Contractors	121.4	111.7	50.2
• Payment to Employees (e.g., wages, benefits)	15.4	16.8	15.4
• Payment to capital providers (e.g., loan interest and dividends)	3.3	2.6	2.9
• Payment to government (e.g., taxes, permits)	5.5	5.1	8.1

We recognise the importance of the quality of our products and services, as it directly impacts our business's sustainability. By maintaining high quality, it helps cultivate brand loyalty and achieve customer trust, enabling us to continue delivering value to our stakeholders.

At Barakah, we maintain product and service quality through monitoring business activities, ensuring adherence to quality, health, safety and environmental standards. This approach helps us identify opportunities for continuous improvement in product quality.

We hold valid third-party certifications via its subsidiaries in:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental System
- ISO 45001:2018 Occupational Health and Safety Management System.

SUSTAINABILITY STATEMENT

Energy Sector Opportunities

We have noted a growing area of opportunity within the energy sector, driven by government net zero policies and increasing energy demands due to growth for manufacturing factories and data centres. These trends offer promising avenues for diversifying our business segments and strategically expanding our operations.

As part of the Group’s diversification strategy and leveraging our engineering expertise, we have secured equipment supply orders for a biomass power plant facility in Rasa, Selangor.

However, while these opportunities are significant, our ability to fully capitalise on them in the near term is constrained by the current challenging business environment. Limited financial resources and other operational challenges restrict our capacity to respond to these developments immediately.

Anti-Corruption

Barakah recognises that corruption erodes stakeholder trust in our commitment to act in their best interests, impacting investor confidence and hindering economic value creation. Therefore, we understand the importance of having robust anti-corruption measures in place within our business.

Our Anti-Corruption Policy and Procedure (ACPP) ensures compliance with Malaysian laws governing bribery and corruption, including Section 17A of the Malaysian Anti-Corruption Commission (“MACC”). Additionally, Barakah incorporates corruption risk assessments into our annual audit process, which covers 100% of our operations and addresses various corruption risks faced by our business.

To ensure ongoing compliance with our ACPP, we provide training on our anti-corruption policies and procedures to all employees, especially senior management and decision-makers. In addition to formal training, we promote awareness of anti-corruption issues through management discussions, regular updates on anti-corruption risks, and reviews of internal controls. This approach helps ensure that key staff are well-informed and equipped to address the company’s exposure to various corruption risks.

We continue to implement effective communication and awareness initiatives, including email and WhatsApp, to enhance stakeholder awareness, and we also hold meetings at the executive level.

Percentage of employees who have received training on anti-corruption training, by employee category	FYE 2024 (%)
Senior Management	29
Management	71
Executive	69
Non-Executive	37

As a result of our continuous assessment, monitoring, and communication, no confirmed incidents of corruption have been noted for the three consecutive reporting periods.

Number of confirmed incidents of corruption and action taken for FYE 2024, 2023 and 2022.

 **None**

Percentage of operations assessed for corruption-related risks for FYE 2024.

 **100%**

SUSTAINABILITY STATEMENT

Supply Chain Management

We prioritise local procurement to support the Malaysian economy and promote opportunities for local businesses.

For the reporting period, 66% of our spending was on local suppliers. The change in the proportion of local spending compared to previous years is due to our business activities in Brunei and the need to procure essential technology and resources that were not available locally through international contracts.

We continuously assess our key vendors' performance in safety, policy compliance, project execution, and quality. Feedback is provided to support their ongoing improvement efforts, ensuring trust is maintained with our customers.

	FYE 2024 (%)	FYE 2023 (%)	FYE 2022 (%)
Proportion of spending on local suppliers	66	100	100

Supplier assessment (environmental and social)

Recognising our responsibility for our own practices and the impacts of our suppliers' conduct, we maintain communication and discussions with current and potential suppliers on their environmental and social practices, such as the element of forced labour, discrimination, fair wages, working conditions, and health and safety, including housing for home workers.

Data Privacy and Security

While our business does not extensively handle stakeholders' data, the company values stakeholders' privacy and personal information amidst increasing digital security threats, ensuring they trust our integrity and system reliability. We adhere to local laws like the Malaysian Personal Data Protection Act 2010 ("PDPA") to safeguard stakeholders' personal information.

We maintain a Cybersecurity/IT policy that covers key principles such as security, retention, access, and data integrity – to ensure continuous compliance with the relevant laws.

Throughout the reporting period, we did not receive any substantiated complaints from any regulatory or official bodies regarding customers' data breaches.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE 2024, 2023, and 2022.



None

Substantiated complaints refer to written statements by regulatory or similar official bodies addressed to the company that identify breaches of customer privacy, or legitimate complaints received by our customers due to our negligence.



SUSTAINABILITY STATEMENT



ENVIRONMENT




Emissions Management


We recognise climate change as a pressing issue with potential and actual impacts on our business and stakeholders. We are aware that our operations contribute to climate change, primarily through greenhouse gas (GHG) emissions, including carbon dioxide (CO2). These emissions result from energy-intensive activities such as machining, equipment operation, and the combustion of marine fuel in vessel engines.


We have several initiatives in our business operations that focus on energy efficiency. These initiatives include:


- Switching off electrical items when not in use including computer, laptops, air conditioners and lights.
- Installing LED lights in office buildings.
- Prioritising the use of highly efficient vessels for our operations. The criteria for selecting vessels are as follows:



 Age

 Horsepower

 Propulsion

 Type/Technical Requirements

SUSTAINABILITY STATEMENT

During the reporting period, the Company's total energy consumption amounted to 4,144 Gigajoules, and the breakdown is as listed below:

Total of Energy Consumption	FYE 2024	FYE 2023	FYE 2022
Purchased Electricity ¹ (GJ)	605	1,250	1,461
Fuel Consumption – Diesel ^{2,3} (GJ)	3,539	4,212	3,861
Total (GJ)	4,144	5,462	5,322
Total (MWh)	1,154	1,518	1,478

1. The purchased electricity data covers our headquarters (HQ), Kuala Lumpur (KL), and yards (Paka Yard, Teluk Kalong Yard, and Miri).
2. The energy conversion factor used for fuel litre consumption is derived from the UK Government GHG Conversion Factors for Company Reporting 2024, 2023, and 2022, based on diesel which is 100% mineral oil.
3. This covers diesel used in our yards (Paka Yard and KL101).
4. Conversion factor for energy consumption of 0.2778 (GJ to MWh) in MWh is derived from UK Government GHG Conversion Factors for Company Reporting.

The company has not established an emissions management framework. Therefore, we do not have any targets or roadmaps for achieving this objective. Nonetheless, we continue to collect data on our Scope 1 and Scope 2 GHG emissions. As of the fiscal year ending 2024, we have also begun collecting data on our Scope 3 emissions, involving business travel and employee commuting categories, which are as follows:

Emission Type	FYE 2024 (tCO ₂ e)	FYE 2023 (tCO ₂ e)	FYE 2022 (tCO ₂ e)
Direct GHG Emission (Scope 1)	248	295	272
Indirect GHG Emission (Scope 2)	98	203	237
Scope 3 (Business travel and employee commuting)	280	N/A	N/A
Total GHG Emissions	626	498	509

1. Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by SEB. Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting 2024, 2023, and 2022, based on diesel which are 100% mineral oil. For 2024, the conversion factor is 2.66 for 100% mineral diesel.
2. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the SEB. Emission Conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation, using Combined Margin (C.M) emission factor, which is 0.585 tCO₂e/MWh.
3. With respect to employee commuting, we estimated the total emissions based on our employee survey.
4. For business travel, distance travelled is obtained from total mileage claims (RM), Barakah mileage claim policy, and fuel consumption (RM). Subsequently, we estimated the emissions using an average petrol car size emissions factor of 0.0001645 tCO₂e/KM from UK Government GHG Conversion Factors for Company Reporting 2024. We excluded emissions from any overnight stays and any form of other travel.
5. This is our first attempt at Scope 3 data collection. We have identified opportunities for enhancement in both our communication and data collection practices.

SUSTAINABILITY STATEMENT

Air Emission

Emissions comprise GHGs that contribute to climate change, alongside other air pollutants such as sulphur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM₁₀). These pollutants can exert considerable impacts on both the health of local populations and the environment.

Barakah adheres to Malaysia’s Environmental Quality (Clean Air) Regulations of 2014, along with the international environmental standards, especially in air pollution prevention, including compliance with MARPOL 73/78 Annex VI regulations.

At our terminals and project sites, we conduct annual emissions monitoring and quarterly checks of ambient air quality. We also maintain a regular preventive maintenance program to ensure our equipment performs optimally. In FYE 2024, our air emissions remained compliant with the standard parameters set by the local authority. Consequently, we are not aware of any substantiated complaints or penalties related to this matter for the reporting period.

Water Management

The Company is acutely aware of the current water management practices in the oil and gas industry that pose significant risks to global water resources. The risks associated with water usage impact not only the environment but also our operational viability and community relations.

However, as the Company has no existing contracts that utilise the Kota Laksamana 101 barge, and water usage is limited to office needs such as toilet use and pantry facilities, the consumption for the reporting period has been minimal compared to previous years.

The following shows the total of our water consumption for the past three (3) years.

FYE	Total Water Consumption (Megalitres/ MI)
2024	2.29
2023	2.10
2022	3.10

1. The data excludes water consumption at our HQ.
2. The data for FYE2022 and FYE 2023 covers KL office and yards.

Waste Management

As part of our sustainability strategy and responsible waste management, we continue to track our waste generation, ensuring compliance with regulations and safe handling.

For FYE 2024, our operations generated a total of 8.16 tonnes of waste as illustrates in the table below:

Category	FYE 2024 (Tonnes)	FYE 2023 (Tonnes)	FYE 2022 (Tonnes)
Waste directed to disposal:			
Scheduled Waste ¹	8.16	3.35	0.76
Waste diverted from disposal	Nil	Nil	Nil
Total Waste Generated	8.16	3.35	0.76

1. Scheduled waste includes chemicals, oil/grease, and paint.

SUSTAINABILITY STATEMENT

Waste Directed to Disposal

For the Company’s offshore waste disposal, we only engage licensed contractors or third-party licensed contractors approved by the Department of Environment (“DOE”) to collect, transport, and dispose of our scheduled wastes, which are categorised as shown in the table below:

Type of Scheduled Waste (“SW”)	Description
SW 422	A mixture of scheduled and non-scheduled wastes.
SW 417	Waste of inks, paints, pigments, lacquer, dye, or varnish.
SW 410	Rags, plastics, paper, or filters contaminated with scheduled wastes.
SW 305	Spent lubricating oil.
SW 409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.

For the reporting period, our operations generated a total of 8.16 tonnes of scheduled wastes. Based on the categories of scheduled waste, the distribution of total hazardous waste is shown in the table below.

FYE	Waste Directed to Disposal (Tonnes)					Total Hazardous Waste Disposed
	SW Code					
	SW422	SW417	SW410	SW305	SW409	
2024	2.33	1.64	1.20	0.82	2.17	8.16
2023	Nil	1.17	0.27	1.91	Nil	3.35
2022	Nil	Nil	0.76	Nil	Nil	0.76

Environmental Spillage

We consistently comply with the law, emphasising our commitment to responsible waste management and minimising potential pollution impact. As a testament to this commitment, there were no recorded spillage incidents for the fiscal year ending 2024, resulting in zero environmental fines or penalties during this period.

SUSTAINABILITY STATEMENT



SOCIAL



Health, Safety, and Environment

Barakah recognises the critical importance of health, safety, and environment (HSE) in our operations. Our dedication to HSE ensures the safety of our employees, communities, and the environment. This commitment not only builds trust among stakeholders, including clients and investors but also underpins our financial performance.

Our policy outlines the general approach for maintaining the safety of our employees and contractors, minimising health and safety risks, preventing workplace accidents and injuries, and promoting sustainable practices.

We prioritise Occupational Safety and Health (“OSH”) while strictly complying with Department of Occupational Safety and Health (“DOSH”) Act & Regulations and Environment Quality Act 1974 & Regulations. We hold ISO 45001:2018 Occupational Safety and Health (“OH&S”) Management System and ISO14001:2015 Environment Management System Certifications and are committed to Health, Safety, and Environmental (“HSE”) objectives, ensuring a safe work environment, proper safety equipment, and environmental protection in line with statutory requirements. Our dedication is evident through ongoing surveillance audits by regulatory agencies and certification bodies.

The company has defined HSE performance standards outlined in the Integrated Management System (IMS) and the HSE Implementation Plan. Site-specific performance standards are detailed in the Project HSE Plan and associated work procedures. The responsibilities for implementing the HSE policy and the HSE Implementation Plan are clearly outlined in the Company’s Integrated Management System.

As part of our yearly HSE Implementation Plan, the top management leads and promotes the HSE principles and culture through numerous HSE meeting, employee engagements, scheduled inspections, counselling sessions and site visits. Key project management staff members have led several time out sessions, campaigns, and on-the job training. These individuals include those from line supervisory staff, construction services and maritime operations.



SUSTAINABILITY STATEMENT

In FYE 2024, we recorded a total of 2,084 attendees for all training sessions, including both our crew and employees.

	FYE 2024	FYE 2023	FYE 2022
Number of employees and crew trained on health and safety standards	2,084	2,795	1,070

1. *The areas of training include Safety and Health Training, Legal & Compliance Training, Competency Training, Environmental Training, and Management System Training (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018).*

Senior management conducts quarterly reviews of HSE activities and performance, as well as during monthly project HSE meetings, to assess both company and project performance. Key performance indicators include incident statistics, surveillance trends, program feedback, and incentives performance. All data is compiled and disseminated to all operational units for performance analysis.

There have been zero cases of work-related fatalities and Loss Time Incident Rate (“LTIR”) involving our contractors and employees reported for the past three (3) years.

		FYE 2024	FYE 2023	FYE 2022
Number of bodily injuries (Lost time injuries)	Employees	Nil	Nil	Nil
	Workers/contractors			
Total number of hours worked ¹	Employees	1,018,128	885,489	706,155
	Workers/contractors			
LTIR ²	Employees	Nil	Nil	Nil
	Workers/contractors			

1. *The manhours refer to the reporting period.*

2. *Loss time incident rate refers to the loss of productivity associated with accidents or injury arising out of or in the course of work.*

Hazard Identification, Risk Assessment, and Control (“HIRAC”) and Toolbox Meetings

In our commitment to uphold a safe workplace, we utilise a HIRAC procedure. All occurrences involving injuries, accidents, fatalities, and other incidents, must be immediately investigated to comply with this requirement. We ascertain the possible severity and probability of recurrence through this method.

We also hold frequent Toolbox Meetings in addition to HIRAC, to discuss incident findings, actions taken, and new HSE regulations. These meetings provide a platform for open communication and collaboration to address safety concerns effectively.

SUSTAINABILITY STATEMENT

Emergency Response Plan (“ERP”) and Emergency Response Team (“ERT”)

We have implemented an ERP across all aspects of our operations. This plan delineates the roles and responsibilities of the ERT during emergencies and potential crises. The goal is to minimise hazards to onsite personnel, the local community, the environment, and assets by promptly mobilising and coordinating emergency services and personnel.

Workers’ living conditions

We prioritise not only the safety of our people at work but also the safety and conditions in which they live. Respecting their needs and human rights is paramount; every worker should be treated equally.

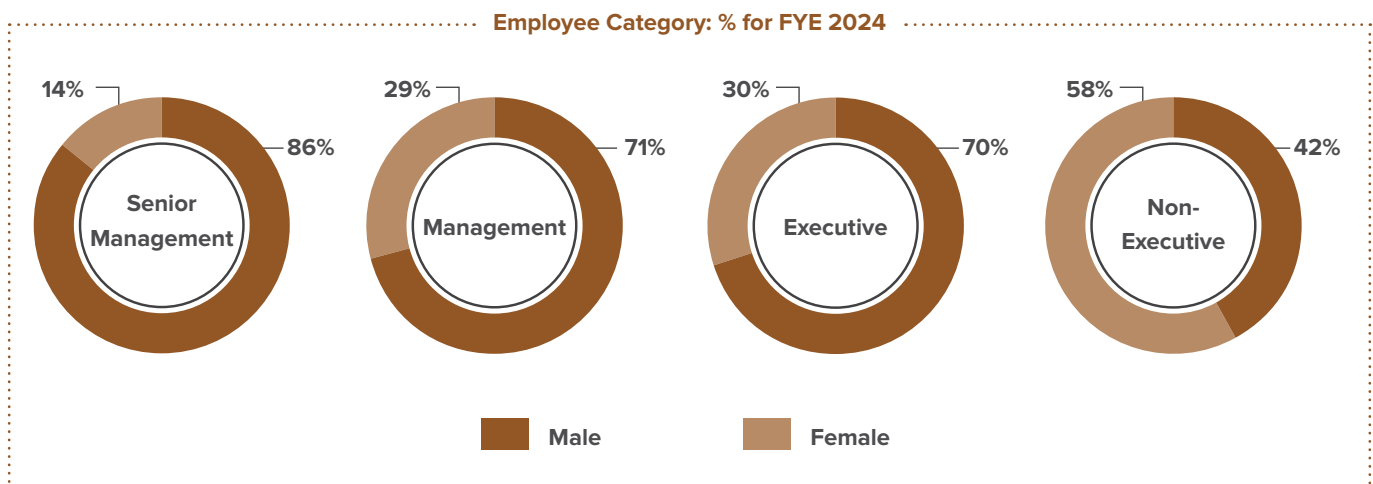
Diversity

At Barakah, we recognise the benefits of workforce diversity in enriching our capacity for a wide range of perspectives in decision-making, risk awareness, and adaptability to change. While we do not set specific diversity targets, we provide equal opportunities. We assess both current and prospective employees based on their merit and potential for advancement in the workplace.

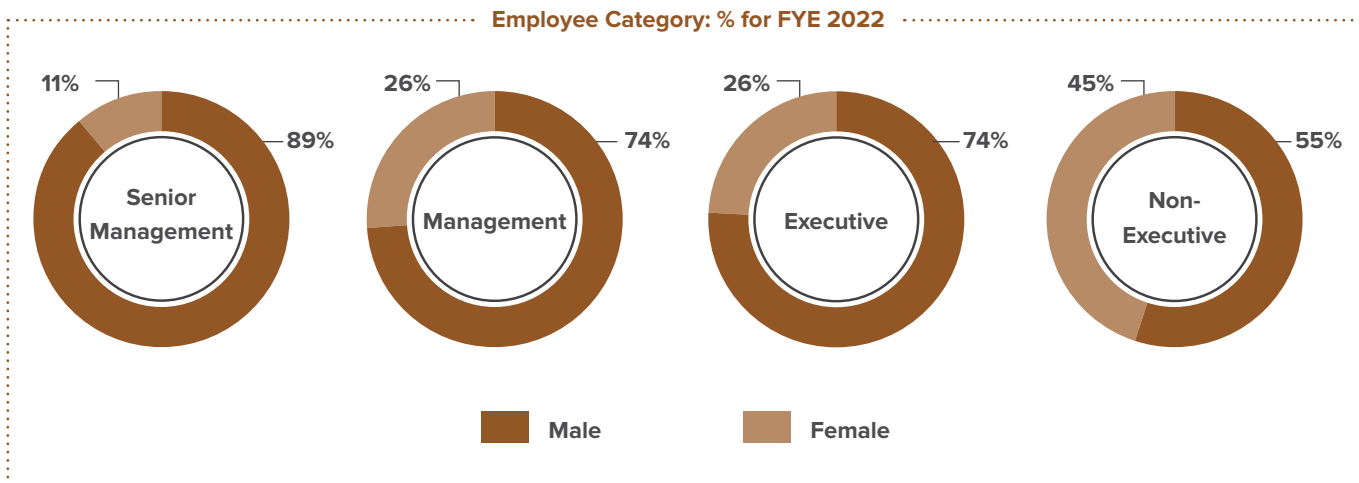
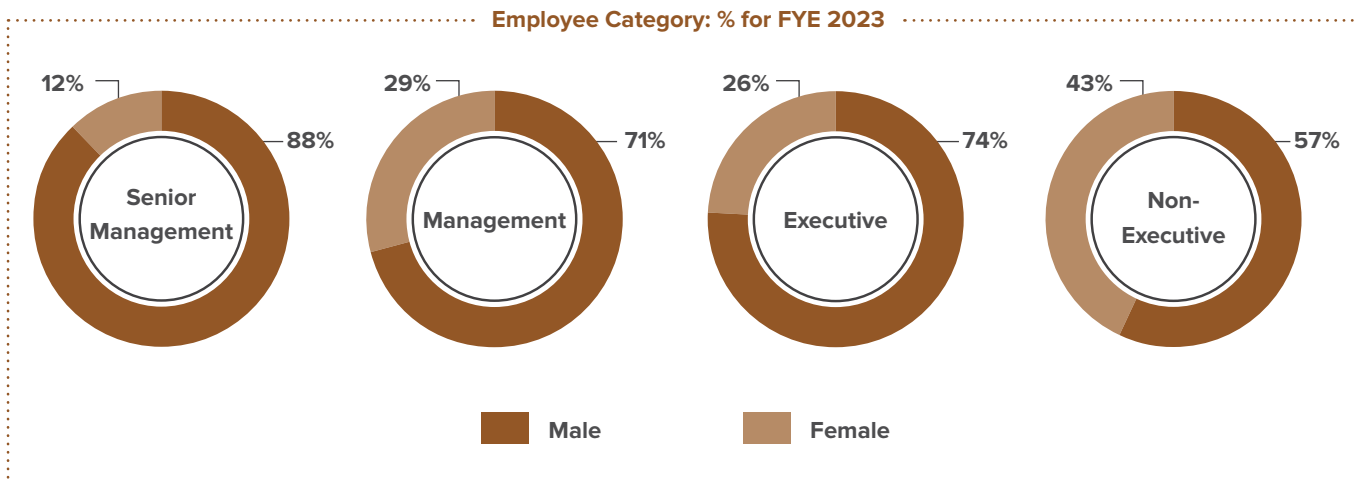
Employee Diversity

The table below summarises the gender distribution across all employment levels within Barakah.

Employee Category	% for FYE 2024		% for FYE 2023		% for FYE 2022	
	Male	Female	Male	Female	Male	Female
Senior Management	86	14	88	12	89	11
Management	71	29	71	29	74	26
Executive	70	30	74	26	74	26
Non-Executive	42	58	57	43	55	45
Overall Composition	67	33	71	29	72	28



SUSTAINABILITY STATEMENT

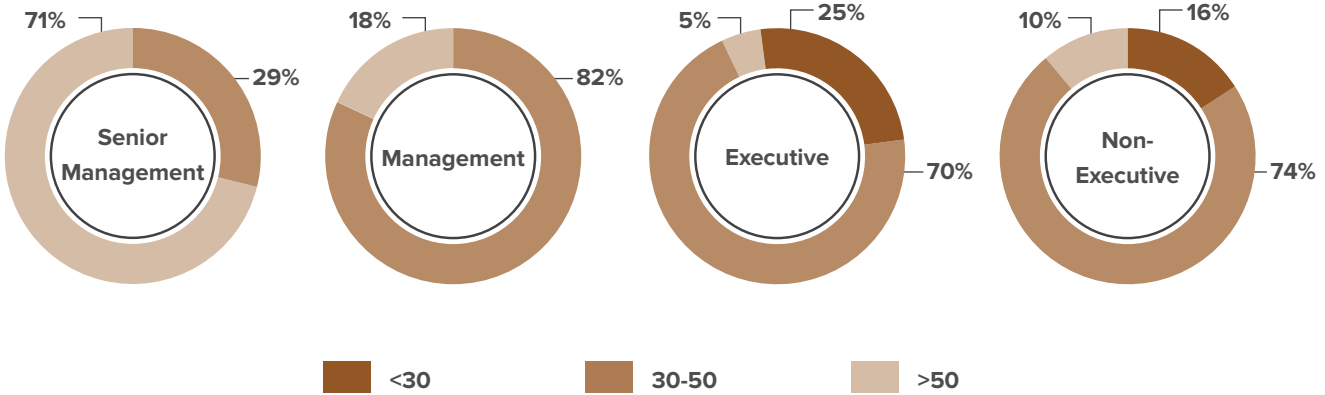


With respect to age diversity, the breakdown of employee categories by age group is as listed below.

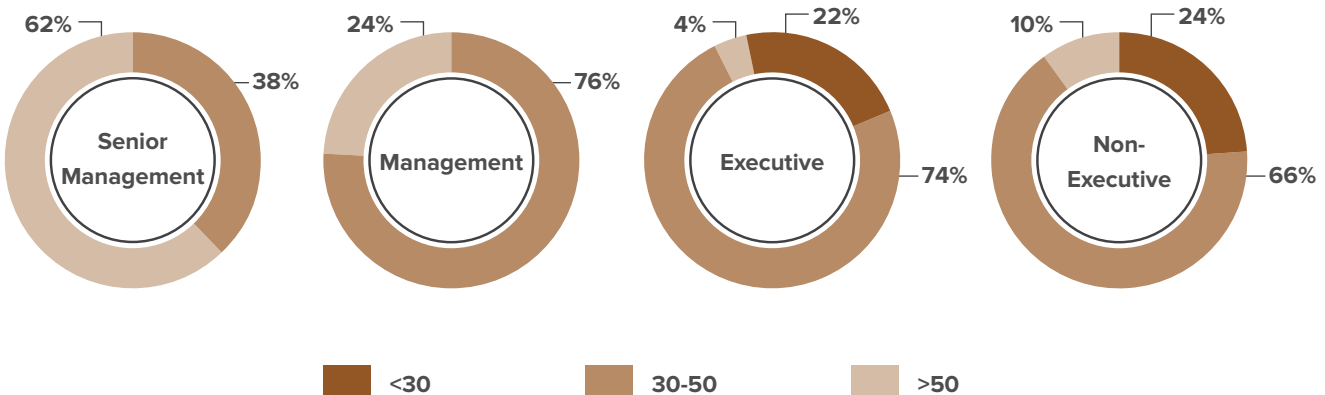
Employee Category	% for FYE 2024			% for FYE 2023			% for FYE 2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	29	71	Nil	38	62	Nil	33	67
Management	Nil	82	18	Nil	76	24	Nil	79	21
Executive	25	70	5	22	74	4	27	70	3
Non-Executive	16	74	10	24	66	10	27	68	5
Overall Composition	19	70	11	18	70	12	21	68	11

SUSTAINABILITY STATEMENT

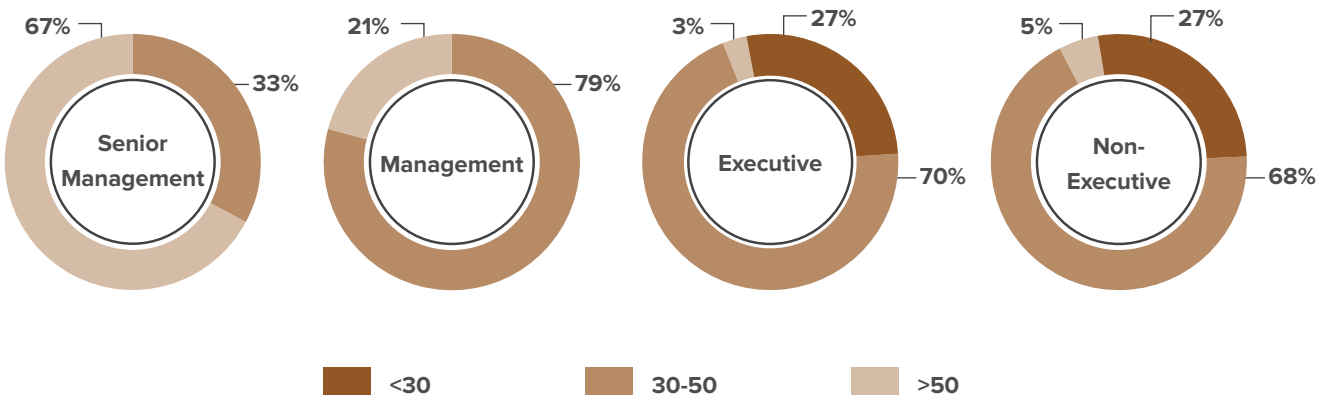
Employee Category: % for FYE 2024



Employee Category: % for FYE 2023



Employee Category: % for FYE 2022

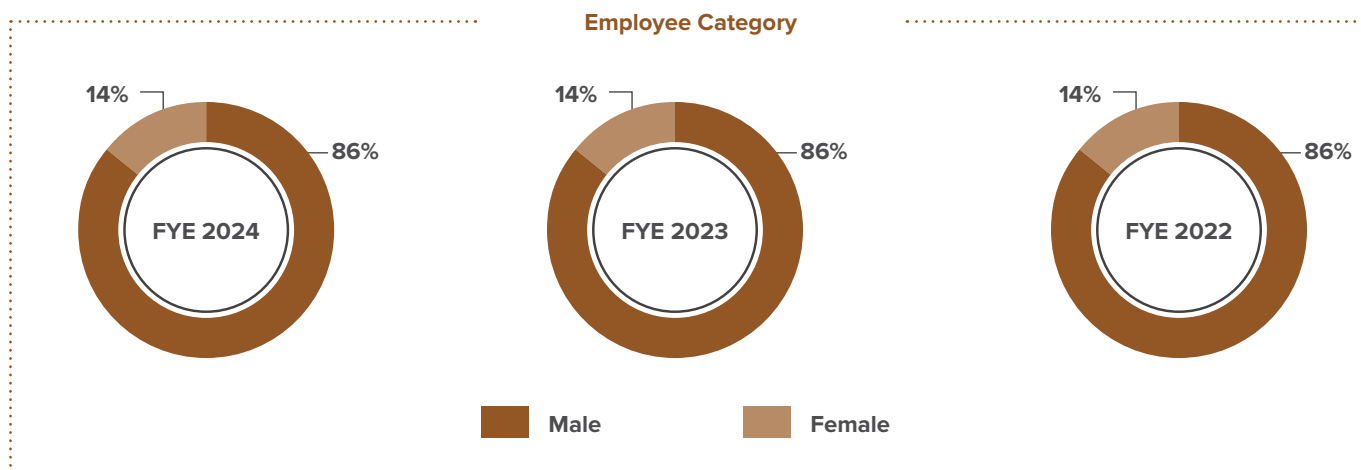


SUSTAINABILITY STATEMENT

Board Diversity

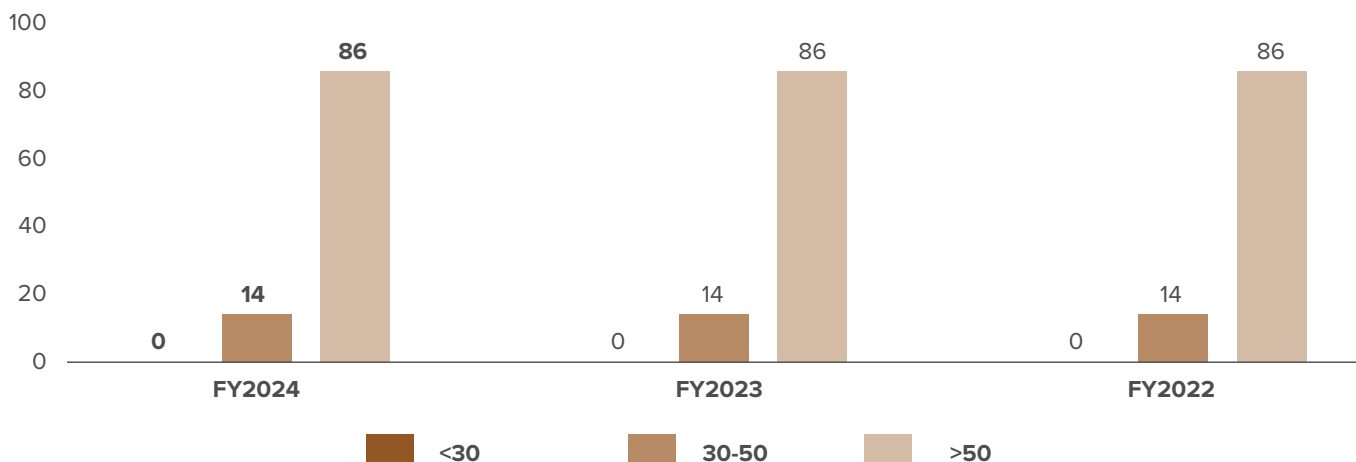
With respect to board diversity, currently, 1 out of 7 current board members is female which represents 14% of total board composition. Currently, the Board has not adopted any female representation target as part of its diversity policy.

Employee Category	% for FYE 2024		% for FYE 2023		% for FYE 2022	
	Male	Female	Male	Female	Male	Female
Directors	86	14	86	14	86	14



In terms of age diversity of the board members, currently, 6 board members are of age 50 and above whilst 1 board member are below the age of 50.

Employee Category	Age in Years (%)								
	for FYE 2024			for FYE 2023			for FYE 2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Directors	Nil	14	86	Nil	14	86	Nil	14	86



SUSTAINABILITY STATEMENT

Human Capital Management

The Company believes that its employees are a vital asset, and we depend on them to deliver projects to our customers. Therefore, we acknowledge the importance of human capital development in ensuring the well-being of our employees, team members, management personnel, and leadership figures to ensure the success and sustainability of our business.

Training and education

We invest in our employees through various development programmes that are designed to harness their potential throughout their tenure and foster a culture of continuous learning. These training and development programmes are based on the employees' performance and their individual training matrix, and include but is not limited to, skills development, competencies, and safety training.

Our total training hours for the reporting period are 2,918 hours. The figure below illustrates our training statistics based on employment categories.

Employee Category	FYE 2024 (Hours)	FYE 2023 (Hours)	FYE 2022 (Hours)
Senior Management	219	244	107
Management	564	739	235
Executive	1,988	4,150	1,669
Non-Executive	147	550	128
Total	2,918	5,683	2,139

Utilisation of contractors/temporary staff

In FYE 2024, 77% of our employees during the year are temporary staff/contractors.

Employment Type	% for FYE 2024	% for FYE 2023	% for FYE 2022
Contractors/Temporary	77	71	73

Incorporating contractors and temporary staff into our workforce is a deliberate strategic decision, aligning with the dynamic nature of the offshore and onshore oil and gas support services industry. This approach optimises resources, taps into specialised skills, and mitigates operational risks.

We maintain a policy of hiring permanent employees as needed to ensure a stable core team, fostering continuity and a cohesive work environment. Integrating both temporary and permanent staffing enables us to respond swiftly to industry demands, drive innovation, and sustain long-term growth.

SUSTAINABILITY STATEMENT

Employee labour rights

We empower our employees to achieve their full potential and prioritise a secure work environment. This includes protecting our workforce’s rights, offering equal opportunities for advancement, and fostering a culture free from discrimination. These efforts ensure legal compliance, uphold our positive reputation, and secure operational licenses.

We adhere to global labour laws and international employment frameworks such as the International Labour Organization (“ILO”) standards, as well as domestic regulations including the Malaysian Employment Act 1955, the recent Employment (Amendment) Act 2022, and the Minimum Wages Order 2022.



Barakah upholds key human rights standards in line with ILO’s core labour principles:

Prohibiting and preventing the use of child labour and forced labour, in alignment with local laws.	Maintaining a workplace free from discrimination and harassment, promoting equal opportunity and ethical conduct.	Respecting employees’ rights to freedom of association and collective bargaining.	Ensuring compliance with local labour laws governing working hours, overtime, and minimum wages.

Detailed company policies on employee rights, labour standards, job benefits, and related conditions are accessible to employees through Barakah’s employee and vendor policy.

During the reporting year, we are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to violation to human rights of our workers.

Number of substantiated complaints concerning violations to human rights received in FYE 2024, 2023, and 2022:



None Reported

SUSTAINABILITY STATEMENT

Employee retention

Barakah is dedicated to attracting and cultivating high-performing talent, offering support through training and benefits to foster personal and professional growth.

We recognise the connection between fulfilling customer needs, meeting compliance requirements, and retaining key staff. Our goal is to enhance engagement, understand expectations, and address them where possible. However, in today's challenging business environment, which impacts our financial performance and increases competition, we understand that meeting every need and expectation may not always be possible.

The following is a breakdown of the numbers of employee turnover at the end of the reporting period:

Employee Category	Number of Employee Turnover		
	FYE 2024	FYE 2023	FYE 2022
Senior Management	1	Nil	1
Middle Management	2	2	1
Executive	16	4	7
Non-Executive	1	3	2
Total	20	9	11

1. Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.

Community Engagement

Barakah recognises the significance of community involvement in our operational areas. Therefore, we empower and create positive social impacts for the communities in which we operate or those that are connected to our operations. This initiative focuses on building relationships, addressing concerns, and supporting local development.

The list of events and programmes conducted in FYE 2024 is as listed in the table below:

Month	Event Name	Amount Donated (RM)	Number of individuals who benefited
2024			
Annual	<ul style="list-style-type: none"> Monthly donation to kids at Rumah Kasih Harmoni, Paya Jaras, Selangor 	240,000	130
April	<ul style="list-style-type: none"> Hari Raya Aidilfitri celebration with kids at Rumah Kasih Harmoni, Paya Jaras, Selangor Iftar with IPC Malaysia B.V. Iftar with Jadestone Energy (Malaysia) Pte Ltd Rumah Terbuka Aidilfitri 	30,000	500

SUSTAINABILITY STATEMENT

Month	Event Name	Amount Donated (RM)	Number of individuals who benefited
2024			
June	<ul style="list-style-type: none"> Wakalah Zakat contribution to students at Sekolah Tuanku Abdul Rahman (STAR) Ipoh, Perak Wakalah Zakat contribution to students at Sekolah Kebangsaan Juasseh, Kuala Pilah, Negeri Sembilan 	44,400	37
		42,500	50

In FYE 2024, we contributed a total of RM356,900 to the local communities in which we operate, and an estimated 717 beneficiaries benefitted from our donations.

	FYE 2024	FYE 2023	FYE 2022
Total amount invested in an external community (RM)	356,900	374,864	240,000
The total number of individuals who benefited	717	355	120

Conclusion

Barakah remains committed to continuously improving our sustainability strategy across all aspects of our business. This includes enhancing stakeholder engagement, refining our data collection mechanisms, and adapting our sustainability practices to meet new regulatory requirements. Our goal is to stay aligned with the evolving needs of stakeholders and the broader sustainability landscape.



SUSTAINABILITY STATEMENT

Recommendations	Our Responses
Risk Management: Disclose how the organisation identifies, assess, and manages climate-related risks.	
a) Describe the organisation's processes from identifying and assessing climate-related risks.	We have embedded climate related risk in our risk management framework. This includes processes on identifying and assessing risks; and mitigation and control measures in managing our risks.
b) Describe the organisation's process for managing climate-related risks.	
c) Describe how process for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities such information is material.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to the 'Emissions Management' section for our material metrics regarding this topic, which include energy consumption, Scope 1, Scope 2, and Scope 3 emissions.
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks.	The Company disclose Scope 1 and scope 2 emissions in the 'Emissions Management' section. The disclosure of Scope 3 emissions cover business travel and employee commuting emissions.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Company has not established any targets to manage climate-related risks and opportunities. However, we monitor emissions and emphasise on improving our energy efficiency to reduce electricity costs.

SUSTAINABILITY STATEMENT

Appendix (a): Risk posed by climate change

Risk/Opportunities	Impact	Mitigation Plan
PHYSICAL RISK		
Personnel Safety	<p><u>Accident and Injuries</u></p> <p>For our offshore services and barge operations, high winds and heavy rains can cause platforms and barges to become unstable, increasing the risk of accidents such as falls, equipment malfunctions, or structural failures. During severe weather, evacuation procedures can be chaotic and hazardous, putting our employees at risk of injury or being stranded.</p>	<p>Our mitigation plan focuses on adherence to health and safety, and environmental regulations, proactive leadership in promoting a strong safety culture, incident management through HIRAC procedures, and a designated emergency response plan.</p> <p>For a detailed discussion on this, please refer to the Health, Safety, and Environment section.</p>
	<p>When flooding occurs, it can cut off access to our work sites, making it difficult to evacuate our employees safely and creating dangerous conditions such as slippery surfaces and submerged equipment, leading to potential accident and injuries.</p>	
	<p>Flooding on our barges can impact their stability and safety, potentially causing operational disruptions and putting our crew at risk. Additionally, flooding can lead to significant water damage in our office buildings, disrupting daily operations and creating unsafe conditions for our staff.</p>	
	<p>For our employees working outdoors, high temperatures can lead to heat stress, dehydration, and heat-related illnesses such as heatstroke. This impacts workers' health and safety.</p>	
Potential asset vulnerability	<p><u>Infrastructure Damage</u></p> <p>High winds, flooding, or lightning strikes can cause structural damage to facilities, including our barge and equipment. The repair or replacement costs for damaged assets can be substantial, impacting profitability.</p>	<p>We conduct regular inspection and maintenance on our infrastructure and assess our insurance coverage to mitigate financial risks associated with asset damage.</p>

SUSTAINABILITY STATEMENT

Risk/Opportunities	Impact	Mitigation Plan
PHYSICAL RISK		
Operational Disruptions	<p><u>Project Delays</u></p> <p>Weather-related disruptions can cause project delays by directly impacting the construction schedule and work efficiency. High winds, flooding, or lightning strikes may halt operations, disrupt the supply chain, damage equipment, or make sites unsafe, leading to extended timelines for project milestones and overall completion.</p> <p><u>Contractual Obligations</u></p> <p>These delays can, in turn, affect our ability to meet contractual deadlines. Failure to adhere to agreed-upon schedules can result in breaches of contractual obligations, leading to financial penalties and other contractual repercussions.</p> <p><u>Client Dissatisfaction</u></p> <p>Furthermore, the resulting delays and operational setbacks can strain client relationships. Clients may become dissatisfied with the prolonged project timelines, potentially harming trust and affecting future business opportunities.</p>	<p>To address these risks, we include force majeure clauses in our contracts to protect against penalties for non-performance due to unforeseen events. Additionally, we maintain open and transparent communication with clients about potential delays, keeping them informed to manage expectations and minimise dissatisfaction.</p>
TRANSITION RISK		
Increase in energy cost (fuel and electricity tariff)	<p>As governments push for net zero emissions, we expect rising energy tariffs due to policies encouraging a shift to renewable energy. This will increase our electricity and fuel costs, raising expenses.</p>	<p>We have several initiatives in our business operations aimed at improving energy efficiency. We will continuously monitor these initiatives and identify opportunities for further enhancement in our energy efficiency.</p>
Potential source of revenue (renewable energy)	<p>Based on the government’s plan to transition towards a low-carbon economy, we recognise the potential for renewable energy to become a potential source of revenue.</p> <p>As policies to reduce carbon emissions and boost investments in clean energy take effect, opportunities in the renewable energy sector are expected to grow. This shift opens avenues for generating income through investments in technologies such as solar, and biomass.</p>	<p>Our current ability to capitalise on renewable energy opportunities is constrained by financial and operational challenges.</p> <p>For further details, please refer to the Energy Sector Opportunities section of this Sustainability Statement.</p>

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA ESG REPORTING PLATFORM

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform and is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced sustainability requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	-	29.00
Management	Percentage	-	-	71.00
Executive	Percentage	-	-	69.00
Non-Executive	Percentage	-	-	37.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	56.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	1,478.00	1,518.00	1,154.00
Internal assurance	External assurance	No assurance (*) Restated		

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	3,100,000	2,100,000	2,290,000
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,070	2,795	2,084
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	33.00	38.00	29.00
Senior Management Above 50	Percentage	67.00	62.00	71.00
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	79.00	76.00	82.00
Internal assurance	External assurance	No assurance	(*) Restated	

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Management Above 50	Percentage	21.00	24.00	18.00
Executive Under 30	Percentage	27.00	22.00	25.00
Executive Between 30-50	Percentage	70.00	74.00	70.00
Executive Above 50	Percentage	3.00	4.00	5.00
Non-Executive Under 30	Percentage	27.00	24.00	16.00
Non-Executive Between 30-50	Percentage	68.00	66.00	74.00
Non-Executive Above 50	Percentage	5.00	10.00	11.00
Gender Group by Employee Category				
Senior Management Male	Percentage	89.00	88.00	86.00
Senior Management Female	Percentage	11.00	12.00	14.00
Management Male	Percentage	74.00	71.00	71.00
Management Female	Percentage	26.00	29.00	29.00
Executive Male	Percentage	74.00	74.00	70.00
Executive Female	Percentage	26.00	26.00	30.00
Non-Executive Male	Percentage	55.00	57.00	42.00
Non-Executive Female	Percentage	45.00	43.00	58.00
Bursa C3(b) Percentage of directors by gender and age group				
	Internal assurance			
	External assurance			
	No assurance			

(*) Restated

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Male	Percentage	86.00	86.00	86.00
Female	Percentage	14.00	14.00	14.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	14.00	14.00	14.00
Above 50	Percentage	86.00	86.00	86.00
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	107	244	219
Management	Hours	235	739	564
Executive	Hours	1,669	4,150	1,988
Non-Executive	Hours	128	550	147
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	73.00	71.00	77.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	1	0	1
Management	Number	1	2	2
Executive	Number	7	4	16
Non-Executive	Number	2	3	1
		Internal assurance	External assurance	(*) Restated
			No assurance	

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	240,000.00	374,864.00	356,900.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	120	355	717
		Internal assurance	External assurance	(*) Restated
			No assurance	

CORPORATE GOVERNANCE OVERVIEW STATEMENT



COMPLIANCE WITH THE MCCG

As a Main Market Listed entity, the Board is pleased to present this statement in accordance with the Malaysian Code on Corporate Governance (“MCCG”) which sets out the standards of good practice in relation to:

PRINCIPLE

A

Board Leadership and Effectiveness reporting.

PRINCIPLE

B

Effective Audit and Risk Management

PRINCIPLE

C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders



CORPORATE GOVERNANCE OVERVIEW STATEMENT

A **B** **C** **BOARD LEADERSHIP AND EFFECTIVENESS REPORTING**

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES FOR LEADERSHIP FUNCTIONS

An overview of the Roles and Responsibilities of the Board:

ROLE	KEY RESPONSIBILITIES
Executive Chairman	To preside over the Board meetings and ensure the smooth functioning of the Board in the interest of good corporate governance.
Group President & Chief Executive Officer (“GPCEO”)	To assume overall responsibilities for the execution of the Group’s strategies in line with the Board’s direction, drives the Group’s businesses performance towards achieving its vision and mission.
Executive Director	To manage the day to day operations of the Group’s businesses and implement policies, strategies and decisions approved by the Board.
Non-Executive Director (Independent and Non-Independent)	To provide an independent, balanced and objective judgement in making board decisions.

Clear Roles and Responsibilities

The key roles and responsibilities of the Board are to:

- Adopt and review the strategic business plan for the Group.
- Oversee and evaluate the conduct of the Group’s business including the formulation of the strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practice and human capital management.
- Identify principal risk and ensuring the implementation of appropriate systems to manage these risks.
- Approve and monitor the progress of major capital expenditure, fund-raising, acquisition and divestures. Review the efficiency and quality of the Group’s finance reporting process systems of accounting and internal controls.
- Establish a succession plan for senior management. Ensure strategies of the Group promote sustainability. Ascertain the independence of the external auditors and Group’s internal audit functions.
- Assess on an annual basis the performance and the effectiveness of the Board, Board Committees and individual Directors including GPCEO and Chief Financial Officer (“CFO”).

Responsibilities for Company Secretary

Company secretary plays important roles in advising and supporting the Board. The Company Secretary through the Chairman plays important role in good governance by helping the Board and its committee function effectively and in accordance with their respective Terms of Reference (“TOR”).

The company has two (2) Company Secretaries who are qualified under the Section 235(2) of the Companies Act 2016 and are members of Malaysian Institute of Chartered Secretaries and Administration (“MAICSA”).

The Company Secretaries also act as secretaries of all Board Committee (except for Executive Committee). The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Director’s reference. They also ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly documented in the minutes of meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A B C BOARD LEADERSHIP AND EFFECTIVENESS REPORTING

The Board Charter & Delegation of Authority

The Company has a Board Charter (Charter) that sets out the roles and responsibilities of the Board and those matters which are delegated to management. The Charter was first approved and adopted by the Board on 23 October 2013. The Board reviews the Charter periodically and makes appropriate revisions from time to time and last reviewed on 12 October 2024 for the updates. The Charter is available in the Corporate Governance section at the company’s website www.barakahpetroleum.com.

The Charter addresses the following pertinent matters:

- Provides term and reference for the Board’s compositions, appointment, removal and the division of powers, roles and responsibilities of the Board and its key values.
- Provide guidance and reference to the Board on the overall business affairs and operations that include processes and procedure in line with the principle of good corporate governance.

In addition, the Board has established and review the Group’s Delegation & Limit of Authority (“DLA”) on 1 February 2021 to define policy and operational decision making processes that include matters reserved for the Board’s approval and those delegated to the Board Committee Group President & Chief Executive Officer (“GPCEO”) and management.

Board Committees



Four (4) Board Committees were established to assist the Board in the discharge of its statutory and fiduciary responsibilities. The Board Committees and their roles are as follows:

Board Committee	Role
Audit and Risk Management Committee (“ARMC”)	Oversees the Group’s financial report and its processes before presenting to Board for deliberation and approval. The ARMC also reviews the internal audit and external audit plans report, Group’s risk management and internal controls statement in order to achieve the Group’s objective. The ARMC also reviews the sustainability matters of the Group.
Nomination and Remuneration Committee (“NRC”)	Manage the nomination and remuneration process of the Board, Board Committee and key management position. Evaluates the performance and effectiveness of the Board and Board Committees, GPCEO and CFO.
Employees’ Share Option Scheme (“ESOS”)	Committee Administer the Employees’ Share Option Scheme.
Executive Committee (“EXCO”)	Makes decision on strategic direction of the Group, including but not limited to matters involving business proposals, financials and stakeholder relations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Policies

The Board has the following policies/framework in place:

	<p>a. Succession Planning Policy</p> <p>A Programme is in place for the orderly succession of senior management that involve the development of skill and abilities for the betterment of their current and future competencies. Succession planning help to ensure continuity of business and prevent potential business and operation disruption due to any change of senior management personnel.</p>
	<p>b. Corporate Disclosure Policy</p> <p>This policy emphasises the importance of the development and implementation of a stakeholder’s communication policy for the Group.</p>
	<p>c. Risk Management Policy/Framework</p> <p>The Board is ultimately responsible for the adequacy and integrity of the internal control system of the Group. This policy was adopted to ensure principle risks are adequately identified and appropriate internal control and mitigation measure 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 76 to 79.</p>
	<p>d. Code of conduct & Business Ethics Policy</p> <p>The Code requires the Board and the employees of the Group to uphold the highest standards of ethical behavior, honesty and personnel integrity in their dealings. A summary of the code and the following policies are available in the company’s website at www.barakahpetroleum.com.</p> <ul style="list-style-type: none"> • Code of Ethics and Conduct Policy • Whistleblowing Policy • Insider Dealing Policy • Anti-Corruption Policy and Procedure <p>Together with Corporate Disclosure Policy, these policies promote appropriate communication and feedback channels including those that facilitate whistleblowing. These policies also encourage every person in the Group to act in the best interest of the Group, safeguarding confidently, compliance with the relevant laws and regulations, safety and provisions and avoiding any conflict of interest or duties.</p>
	<p>e. Sustainability Policy</p> <p>This policy establish clear objective for sustainability within the Group. The Board provides strategic guidance and oversight of management that includes reviewing and approving the Group’s sustainability strategy and ensuring transparent sustainability reporting. The Sustainability Statement is provided in this Annual Report on pages 30 to 61.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A **B** **C** BOARD LEADERSHIP AND EFFECTIVENESS REPORTING

2. ESTABLISHED POLICY OF BOARD INDEPENDENCE

Board Composition

The Board Charter currently provides for at least two (2) directors or one third (1/3) of the Board of Directors, whichever is higher, shall be Independent Non-Executive Directors; and at least one director of the Company is a woman.

Nevertheless in practice, more than half of the current Board of Directors of the Company comprise of Independent Non-Executive Directors. The Board Composition reflects a balance of Executive and Non- Executive Director to instill strong check and balances on the management of the Group.

During the financial year under review, the Board assessed the Independent of its Independent Non-Executive Director based on criteria set out in MMLR of Bursa Securities was satisfied that the Independent Directors continue to exercise independent and objective judgement and acted in the interest of the Company and its stakeholders.

Appointment of Independent Directors

The Nomination and Remuneration Committee ("NRC") is responsible for recommending to the Board for approval for the following appointments:

- a. Chairman
- b. Member of the Board
- c. Member of the Board Committees
- d. Senior Independent Non-Executive Director
- e. Top Management

The NRC shall ensure that the Group recruits, retains, trains and develops suitably qualified and capable Executive and Non-Executive Director managers the Board's renewal and succession effectively. It also makes recommendations and on the remuneration policy for the directors and the top management.

The NRC shall prepare a report on the effectiveness of the Board as a whole and the individual performance of each Director for the Board to assess annually.

Separation of Key Roles of Executive Chairman and GPCEO

The Board support the principle that separates role of the Executive Chairman and GPCEO with a clear division of responsibilities to ensure a balance of powers and authority such that one individual has unlimited powers of decision making. Each of their roles had been identified in the Board Charter and DLA.

The Executive Chairman leads the Board in overseeing of management and chairs the Boards meetings and functions. The GPCEO has overall management responsibilities of the Group's operations and implementation of Board policies, strategies, directives and decisions. They report and discuss at the Board meetings all material matters currently or potentially affecting Barakah and its performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ESTABLISHED STRUCTURE FOR LEADERSHIP EFFECTIVENESS

The Board has established the NRC to assist the Board in managing the composition of the Board through nomination process and to evaluate the performance of the Board, Board Committees and key management positions as well as the remuneration for the Directors and key management positions.

Roles and Responsibilities of the NRC

The main duties of the NRC as provided in the NRC Terms of Reference include:

- Assist the Board in ensuring that the Group recruits, retains, trains and develops suitably qualified and capable Executive and Non-Executive Directors and manages the Board's composition effectively including assessment of the required mix of skills and experience of individual Board Members and the Board Committees.
- Review and determine whether a Director can continue to be independent in character and judgement and also to take into account the need for progressive change of the Board's composition at the conclusion of a specific term of office.
- Asses the annual effectiveness of the Board a whole, the committees of the Board, the contribution of each individual Director, including Independent Non-Executive Directors and the Group President and Chief Executive Officer ("GPCEO").
- Recommend the remuneration for the directors and key management and review and recommend the annual bonus pool for employees.

The Board has adopted the Directors' Fit and Proper Policy for the appointment and re-election of Directors of Company. This policy will ensure that all Directors fulfill the Fit and Proper criteria and conducting assessments of the fitness and properness of candidates to be appointed onto the Board and Directors who are seeking for re-election.

The NRC is responsible for the assessment for existing Directors seeking re-election or candidates for nomination or appointment as a Director of the Company and the Group.

The NRC Terms of Reference are disclosed in the Company's websites at www.barakahpetroleum.com.

The NRC has established guidelines on the recruitment and appointment of a Board member that forms as part of the NRC's Terms of Reference. The Board supports non-discrimination on gender, ethnicity and age group of candidates to be appointed as Board members although no formal policy has been formed. The Board encourage a dynamic and diverse composition by nurturing suitable and potential candidates and equipped with skills, experience, time commitment and other qualities in meeting the future need of the Company. The Board is aware that there is no such policy on gender composition of the Board. Such policy may be considered in future depending on future growth and requirement of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. REMUNERATION

The remuneration of the employees of the Group was structured based on the study conducted by professional human resources consultant in 2014 that looked into the job responsibilities, scale of the Group's operations and salary range of peer companies. From this review, the Group has structured the staff salary scale and the benefits where the Group has positioned itself to be approximately within the median range of the industry.

The Board determines and approves the remuneration of the Executive Directors' including GPCEO following assessment and recommendation by the NRC done on annual basis. For this assessment, the NRC took into account the individual performance, company's performance, prevailing market rates, market conditions and other relevant factors.

The Non-Executive Directors' remuneration is determined by the Board with the recommendation from the NRC taking into consideration the market competitiveness in order to attract and retain Directors of such calibre and to provide the necessary skills and experience as required. Their remuneration comprises fees and allowance that reflect their expected roles and responsibilities within the Board and Board Committees. The Directors' fees for the Non-Executive Directors for next year will be tabled for the shareholders' approval at the upcoming Twelfth (12th) AGM of the Company.

The detailed breakdown of director's remuneration is provided in the Corporate Governance Report published on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A **B** **C** EFFECTIVE AUDIT AND RISK MANAGEMENT



The Board has approved the Risk Management Policy/Framework of the Group and has delegated the overseeing function to ARMC whilst the EXCO manages the risk management. To assist the ARMC and EXCO, 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 issue of the Group. The ARMC continues to maintain and review the issues of the Group. The ARMC continues to maintain and review the overall internal control system to ensure as far as possible the protection of its assets and its shareholders' investment.

Detailed of the Group's internal control system and framework are stated in the Statement on Risk Management and Internal Control set out on pages 76 to 79.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A B C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Financial Reporting

The Board, with the assistance of the ARMC, review the financial statements to ensure that the Group's financial statements are prepared in accordance with the provisions of the Companies Act 2016 and the applicable approved Financial Reporting Standards. The Statement of Directors' Responsibility in relation to the Financial Statement is presented in the appropriate section of this Annual Report as shown on page 80.

The ARMC reviewed all financial reports prepared by the management prior to submission to the Board for deliberation and approval. The External Auditors ("EA") and the CFO provide assurance to the ARMC that appropriate accounting policies have been adopted and applied consistently and the relevant financial statement gave a true and fair view of the state of affairs of the Group in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, as part of the Group's annual financial reports.

In addition to the above, the Internal Auditors have performed limited review on the quarterly financial reports for additional reasonable assurance to the ARMC and Board.

Communication with Stakeholders

In line with the MMLR to enhance corporate disclosure requirements, the Board's policy is to ensure a high standard of communications in a timely manner to stakeholders, on all material and significant information on the Group. Barakah's corporate website: www.barakahpetroleum.com contains a non-exhaustive list of the Group's corporate information, Board profiles, Group's businesses and announcement to Bursa Securities, press release, 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.

Annual General Meeting ("AGM")

The AGM 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. Shareholders are given opportunity to raise question on issues pertaining to the Group's operational and financial performance. At the AGM, the shareholders can exercise their voting rights in conformed to strict compliance with the laws and procedures of a general meeting. To promote good attendance at AGM, the company has provided ample notice of more than 28 days prior to the meeting. The Twelfth AGM will be held on 28 November 2024 and detailed information of this meeting can be found in the Notice of Annual General Meeting.

Poll Voting

Pursuant to the Paragraph 8.29A (1) of the MMLR of Bursa Securities, the Company is required to ensure that any resolution set out in the Notice of AGM is voted by poll.

A resolution set out in Notice of AGM will be voted by way of poll.

An independent scrutineer will be appointed to validate the votes cast at general meeting.

Key Focus Areas and Future Priorities in Relation to Corporate Governance Practices

In view of the enhancements in corporate governance regulation, the Board has reviewed and upload the existing policies and procedures to ensure that they are kept contemporaneous and relevant to the Company's needs. The Board will further look into the enhancements or developments of corporate governance policies and procedures, as the case may be.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

A. COMPOSITION AND ATTENDANCE

The Audit and Risk Management Committee (“ARMC”) comprises of three (3) members, all of whom are Independent Non-Executive Directors. This is in line with the requirement of paragraph 15.09 (1)(a) and (b) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).



1 **Khairiah Binti Hj Othman**
ARMC Chairperson
Independent Non-Executive Director

2 **Azaman Bin Sharif**
ARMC Member
Independent Non-Executive Director

3 **Tengku Ngah Putra bin Tengku Ahmad Tajuddin**
ARMC Member
Independent Non-Executive Director

The ARMC Chairperson, Khairiah Binti Hj Othman, is a fellow member of the Malaysian Institute of Accountants. Accordingly, Barakah complies with paragraph 15.09 (1) (c) (i) of MMLR.

The Board assesses the performance of ARMC and its members. The Board is satisfied that the ARMC and its members discharged their function, duties and responsibilities according to the Terms of Reference (“TOR”) of ARMC.

The TOR of ARMC was also reviewed by its members during the financial year ended 30 June 2024 (FY2024) and is published in Barakah’s website in line with MMLR.

B. MEETINGS

The ARMC held five (5) meetings during the FY2024. Attendance record of the ARMC meetings can be found on pages 17 to 19 of the Annual Report.

The meeting deliberated amongst others, the internal Audit (“IA”) annual plan and reports, the quarterly results, related party transactions, risk reports as well as the EA reports; i.e. Audit Planning Memorandum and Audit Summary Report.

At the ARMC meetings, the Executive Directors and Management were invited to brief the ARMC on specific issues arising from the audit reports or any matters of interest.

Four (4) (one meeting of each quarter) private meetings with the Internal Auditors and two (2) private meetings with the External Auditors were held without presence of Executive Directors and Management. The focuses of these meetings were to get feedback on the audit performed, challenges faced and audit scope.

Minute of each ARMC meetings were recorded and tabled for confirmation at the following ARMC meetings. The minutes are also tabled to the Board of Director (“Board”) for notation. In addition, the ARMC Chairman would update the meeting proceedings of each ARMC meeting to the Board for information and/or deliberation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

C. SUMMARY OF ACTIVITIES

The summary of activities of ARMC during FY2024:

1. Financial Reporting

In line with the MMLR requirements, the ARMC reviewed the unaudited quarterly results. Before their deliberation, the Internal Auditor would perform limited review of the result and presented the report during the ARMC meetings.

The ARMC also reviewed full year audited accounts, among others, the members focused on the following:

- (i) Trend analysis on the financial amount and ratios;
- (ii) Review of any material changes against budget and trend; and
- (iii) Any impact due to implementation of new accounting policy or accounting standards.

ARMC also sought assurance from CFO on matters which involve judgement and estimates.

Based on the ARMC deliberations and discussions with management, CFO and Internal Auditors, the ARMC recommended to the Board for deliberation and approval before releasing to Bursa Securities.

2. External Audit

The engagement partner of HLB Ler Lum Chew PLT is Ms Tang Yan Yu whom had confirmed her independence in compliance with Malaysian Institute of Accountants' By-Law (On Professional Ethics, Conduct and Practice).

The EA presented their audit plan to ARMC before embarking on the FY2024 audit. ARMC deliberated the audit plan including on the scope, resources and timeline.

On 28 May 2024, the EA presented its audit planning memorandum to the ARMC for deliberation. Subsequently, the ARMC Chairman updated the Board accordingly.

ARMC reviewed the scope of audit and the performance, their independence and objectivity and their services rendered including non-audit services. The non-audit services were related to review of Statement on Risk Management and Internal Control, Reporting accountants services pertaining to submission of Regularisation Plan to Bursa Malaysia Securities Berhad and limited review on interim financial information. Considering the nature and scope of non-audit fees, the ARMC is of the opinion that they were not likely to create any conflict of interest or impair the independence and objectivity of the External Auditors.

ARMC also reviewed any matters, considering the appointment and re-appointment and any questions of registration or dismissal of the External Auditors.

3. Internal Audit

ARMC reviewed and deliberated

- The adequacy of scope and coverage of IA Plan for FY2024. The review of audit plan took into account the risk profile, corporate governance, control and direction of the Barakah Group as well as the IA resource. Then, ARMC Chairperson shared the audit plan in the Board meeting.
- The audit findings raised in the IA reports tabled during the year. The Management was invited to the ARMC meetings where the ARMC members would seek for explanation from the management whenever required. Subsequently, ARMC Chairperson updated the Board on the key outcome from all audit reports.
- The adequacy of the scope, functions, competency, resource levels as well as the process and result of the internal audits functions.

ARMC Chairperson also had several private discussions with the Internal Auditors to receive direct feedback and updates on the IA and the Company.

Detailed activities of IA function are in page 75 of the Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

4. Risk Management

ARMC reviewed the risk reports prepared by the Risk Coordinator of Risk Management Steering Committee (“RMSC”) for FY2024. RMSC is chaired by Dato’ Rasdee bin Abdullah, Executive Director of Barakah who is also President and Chief Executive of PBJV. During the discussion, ARMC would seek for clarification and explanation on the risk reports.

ARMC also reviewed the effectiveness of Statement on Risk Management & Internal Control by deliberating the following:

- Risk reports provide by RMSC;
- EA’s review report on Statement on Risk Management and Internal Control;
- EA’s report on improvement to be made by Management from the control review;
- IA review report on Risk Management processes;
- IA Reports on various areas during the year;
- Follow-up audit reports conducted by internal Auditors; and
- The assurance letter from GPCEO and CFO on behalf of the EXCO.

5. Sustainability

ARMC reviewed the sustainability statement, report and updates on recent developments and requirements by Bursa Securities presented by Sustainability Committee (SC) of which members are the same as RMSC.

The SC manage the sustainability effort, including the economic, environmental and social sustainability issues who will drive the Group’s overall sustainability process which has been put in place to identify, assess, manage and report the Group’s material sustainability matters.

The SC is also to ensure that the Group’s sustainability process including advancing strategic decision making, coordinating and implementing sustainability action plans and accountability for business and sustainability results is effectively carried out.

6. Related Party Transaction

ARMC discussed and reviewed the related party transaction tabled by the CFO on quarterly basis. Clarification (whenever necessary) was sought from the CFO during meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

D. INTERNAL AUDIT FUNCTION

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

The IA is an outsourced function, which report directly to ARMC Chairman and administratively to GPCEO.

During the FY2024, a total of RM204,800 (inclusive SST) was incurred as part of resource allocation for IA, covering mainly on manpower and incidental costs such as travelling and training costs and engagement for special internal audit assignment to review and assess corporate governance, internal control and risk management for bursa requirement of Financial Year 2023 – 2024.

The IA function adopts a risk-based audit methodology to ensure that the effectiveness of relevant controls addressing the Group's key risks, reviewed on a periodic basis. The purpose, authority, responsibility and independent are clearly articulated in the IA Charter in line with Main Market Listing Requirements ("MMLR"), Malaysia Code on Corporate Governance and the Institute of Internal Auditor's International Professional Practices Framework.

The IA Plan for FY2024 was reviewed and approve by ARMC and Board was subsequently notified. Amongst others, plan include risk based audit engagement and consulting activities, manpower requirements, budget and key performance indicators of the function.

The IA activities carried out based on the approved risk based audit plan and ad-hoc assignment. The key IA engagements for FY2024 were:

- Review and verify monthly and consolidated quarterly financial statements report of the company to be submitted to Audit and Risk Management Committee (ARMC) at end of every quarter;
- Review and conduct gap analysis between existing Smartlab Modules against nine functional areas of Barakah Group for evaluation and enhancement requirement of Enterprise Resources Planning (ERP) dashboard for the use of decision making process by the Management in the following areas:
 - Assessment of cash collection turnaround time;
 - Risk assessment of Enterprise Resources Planning (ERP) using Smartlab System (Project Management & Project Control and Control Admin (PCCA Department));
 - Risk assessment of Enterprise Resources Planning (ERP) using Smartlab System (IT & Administration & Operation Support and Asset Management Department);
 - Risk assessment of Enterprise Resources Planning (ERP) using Smartlab System (Finance and Account & Human Resources Department); and
 - Review of Finance function for market listing requirements.

The result of audit conducted were presented to top management and Executive Committee for management response to the audit findings. The reports were then reviewed by ARMC. On quarterly basis, IA updates its activities in relation to the execution of the approval audit plan, ad-hoc assignments and consulting activities performed, if any.

Apart from the above, on a periodically basis, IA also provides advice to management on control, risk and governance matters whenever consulted. Nevertheless, the IA ensure its independence is maintained during the consulting activities.

This statement is made in accordance with resolution of the Board dated 23 October 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Company acknowledges that the Board’s responsibilities for the risk management and internal control, which include the establishment of appropriate control and ensures the framework and related system are manageable in good level. In compliance with paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad, the Board is pleased to set out our Group’s Statement of Risk Management and Internal Control for financial year ended 30 June 2024 which was prepared in accordance with the “Statement on Risk Management and Internal Control – Guidelines for Directors and Listed Issuers”.

BOARD RESPONSIBILITY

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

- Review on the risk management framework, processes and responsibilities in order to provide reasonable assurance that risks are managed in all aspect 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 Executive Director and Chief Financial Officer (“CFO”), 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 POLICY

The risk management policy/framework defines the risk management policy of the Group and risk management framework including the reporting structure to the Board. It was established and approved by the Board on 31 March 2016 and latest revision approved on 28 May 2024.

Our risk management framework is based on enterprise risk management (“ERM”) concept that covers: identifying, assessing, evaluating, reviewing, treating reporting and monitoring of risk and took reference from the best practices and standards (including ISO31000:2009 Risk Management – Principles and Guidelines) for effective control and mitigation of risks.

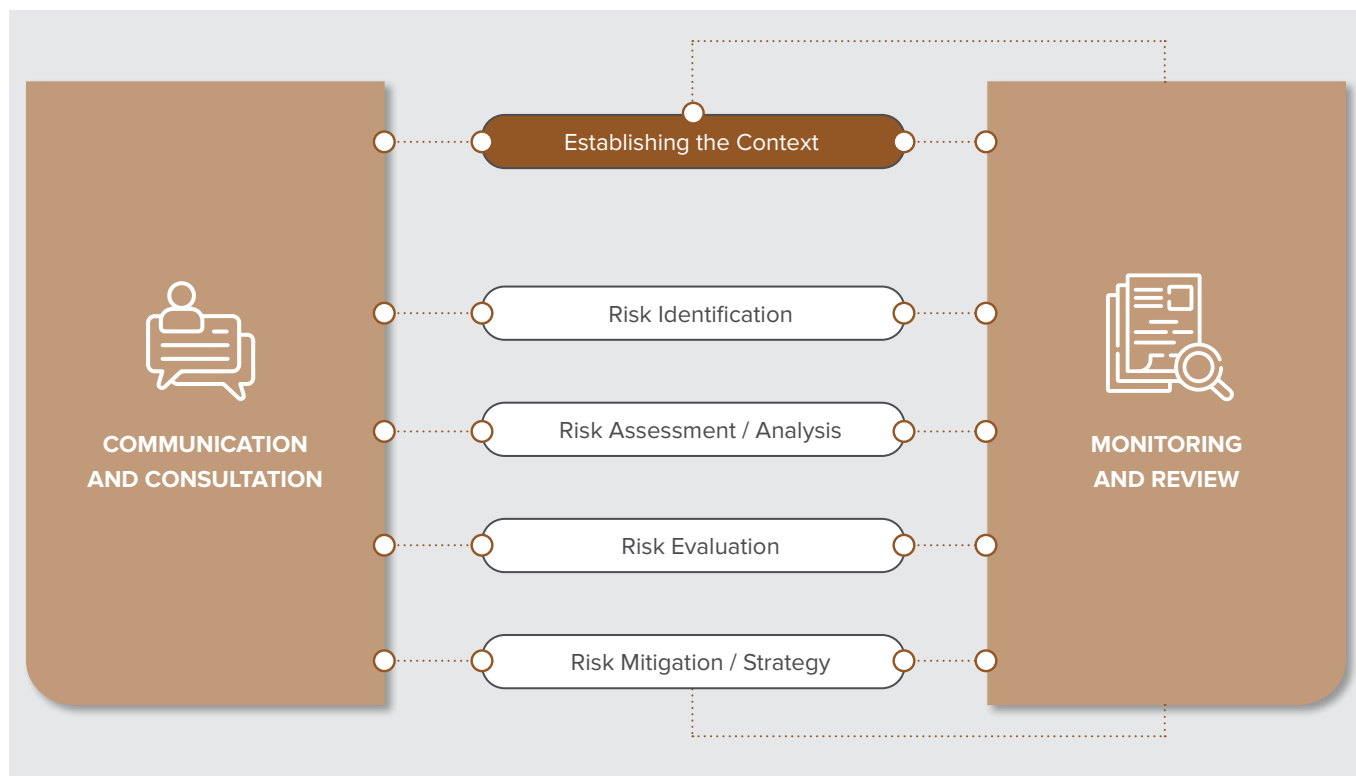
The Board has delegated the oversight role of risk management to the Risk Management Steering Committee (“RMSC”). The primary role of RMSC is facilitate the implementation of the risk management framework within the Group. The RMSC members comprises of Executive Director (cum President & Chief Executive (“PCE”), PBJV Group Sdn Bhd (“PBJV”) as Chairman and Heads of Divisions and Departments whom are identified as the representative of Risk Owners within their divisions/ departments.

The coordination and reporting of risk management activities are managed by the PCE of PBJV and assisted by appointed Risk Coordinator from Corporate Reporting department.

The primary role of RMSC consist of proposing risk report and risk strategies of the Group to EXCO after reviewing the risk register from risk owners, proposing input to the EXCO on Risk Management Policy and monitoring adequate allocation of resources / capital, appropriate measurement of methodologies and effective infrastructure in place for managing risk.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The RMSC provides the risk management reports to the EXCO, ARMC and Board. The Board reviews the risk management report including assessing the extent of reasonable assurance that all identified risk are continuously being monitored and managed within tolerable level. The risk reports include the identification of risk, potential impact, and evaluation of effectiveness of the mitigation and control procedures. The reports also include recommendations for further controls or indicators where necessary.



1. Establish, communicate and consult within the Group on its risk management and framework. This helps to establish the context, articulates the objectives, define the internal and external parameters in managing risk and define the risk criteria in line with our policy and establish the management process.

2. Conduct risk assessment exercise covering:

a. Risk Identification

It involves identifying sources of risk, areas of impacts, events (including changes in circumstances) and their causes and their potential consequences. The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives.

b. Risk Assessment / Analysis

It involves developing an understanding of the risk through impact and likelihood categories. Risk analysis provides an input to risk evaluation and to decisions on whether risks need to be treated, and on the most appropriate risk treatment strategies and methods. Risk analysis can also provide an input into making decisions where choices must be made and the options involve different types and level of risk.

c. Risk Evaluation

It involves indicating the level of risk found during the analysis process with risk criteria established when the context was considered and it will be summarized via risk matrix. Based on this comparison, the need for treatment can be considered. The risk evaluation can also lead to a decision not to treat risk in any way other than maintaining existing controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

d. Risk Mitigation / Strategy

It involves selecting the most appropriate one or more options for modifying risks and implementing those options. Once implemented, treatments provide or modify the controls. Risk treatment involve a cyclical process of assessing a risk treatment deciding whether residual risk levels are tolerable; if not tolerable, generating a new risk treatment and assessing the effectiveness of that treatment.

- 3. Conduct risk awareness sessions by QHSE Department with Risk Owners and staff on the ERM practice and on-going review sessions for continuous improvement and promoting a proactive risk management culture and environment.

New risk register format was introduced to provide a better insight, enhance the clarity of the matters reported and increase the effectiveness of the report.

- 4. Record our risk management process that includes the identified risks, and methods and tools for handling the said risks.
- 5. Deliberations at RMSC meetings to monitor and review on implementation of risk management process. At the RMSC meeting, the risk reports were tabled, reviewed and challenged. And when necessary, recommendations were made for improvements on the risks mitigation actions. The risk report is further monitored and reviewed at the following levels with EXCO and ARMC.
- 6. Presentation of a risk report summarizing risks to the Board through the Audit and Risk Management Committee for further deliberation where necessary.
- 7. Review by the Internal Auditors on the implementation of risk control measure to check for compliance.

There were four (4) quarterly meetings held during the financial year under review.

KEY INTERNAL CONTROL PROCESSES

The Group's internal control systems 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 existing Delegation & Limit of Authority ("DLA"). The DLA also encompasses delegation of authority not only to the Board Committees but also to the management based on the roles and responsibilities of the respective committees and management position.
- 2. The Board has established four (4) Board Committees to support the Board functions. The committees are the ARMC, NRC, ESOS and EXCO. The detailed TOR of each committee can be found at our corporate website at www.barakahpetroleum.com.
- 3. The Group's systems of internal control comprises but not limited to the following activities:
 - a. The ARMC comprises solely of independent Non-Executive Directors with full access to both the internal and external auditors.
 - b. The ARMC meetings are held separately from Board meetings.
 - c. The ARMC is assisted by the Company's outsourced Internal Auditors.
- 4. During the financial year under review, the management had continuously referred to its DLA and risk management framework to reflect the continuous control and delegation for the effective management of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Policies and Procedures

1. Formalised and document internal policies are in place to ensure compliance to the MMLR and the MCCG. The Board maintains the following approved Policies in the organisation.
 - a. Whistleblowing 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
 - j. Privacy Notice
 - k. Anti-Corruption Policy and Procedure
2. The Group through its main operating subsidiary, PBJV is continuously embracing the international standards in its operations by implementing and complying with its ISO certified "Integrated Management Systems" that consist of the ISO 9001:2015 Quality Management Systems, ISO 45001:2018 Occupational Safety and Health ("OH&S") Management Systems and ISO 14001:2015 Environmental Management System.
3. Continuous improvement and updates are made to our Standard Operating Procedures (SOP) from time to time, if necessary, to meet the demand of the business and keeping abreast with the competition and new rules and regulation.

Internal Audit ("IA")

Barakah has an outsourced IA reporting directly to ARMC. The IA provides an independent, objective assurance and consulting activity designed to add value and improve Barakah's operations. This is an addition to review for compliance checking. 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 process. Further information on the IA is provided in page 75 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 Groups assets. However, the Board also is aware of the fact that the Groups internal control systems 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 systems and risk.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required by paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian approved Standard on Assurance Engagements, International Standard on Audit Engagement 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal control: Guidelines for Director of Listed Issuer, nor is the statement factually inaccurate.

This Statement of Risk Management and Internal Control is made in accordance with the resolution of the Board dated 23 October 2024.

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors are responsible for the preparation of the Group's and the Company financial statement so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Securities.

In preparing the financial statements for the financial year ended 30 June 2024, the Directors have:

- a. Adopted and applied consistently accounting policies.
- b. Made judgement, estimates and assumption 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 statement on a going concern basis.

The Directors have also taken the necessary steps to ensure that appropriate internal control 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

There were no proceeds raised from any corporate proposals during the financial year ended 30 June 2024.

2. AUDIT AND NON-AUDIT FEES

The total amount of audit fees paid or payable to the external auditors by the Company and the Group during the financial year ended 30 June 2024 amounted to RM140,000 and RM264,000 respectively.

The total amount of non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm by the Company and the Group during the financial year ended 30 June 2024 are as follows:

	The Company RM'000	The Group RM'000
Audit fees	115	239
Non-audit fees	25	25
	140	264

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries, involving directors' and major shareholders' interest, which subsisted at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year except as disclosed in Note 28 to the financial statements.

4. RELATED PARTY TRANSACTIONS

The details of related party transactions for the financial year ended 30 June 2024 are disclosed in Note 28 to the financial statements.

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DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

Principal Activities

The principal activities of the Company are investment holding.

The principal activities of its subsidiary companies are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year attributable to:		
- Owners of the Company	42,797	(1,276)
- Non-controlling interests	1,556	-
	<u>44,353</u>	<u>(1,276)</u>

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

There were no issuance of shares or debentures during the financial year.

DIRECTORS' REPORT

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

Directors

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Sri Nik Hamdan Bin Daud	
Dato' Sri Azman Shah Bin Mohd Zakaria	
Dato' Rasdee Bin Abdullah	
Tengku Ngah Putra Bin Tengku Ahmad Tajuddin	(Appointed on 8 August 2023)
Azaman Bin Sharif	(Appointed on 28 February 2024)
Khairiah Binti Hj Othman	(Appointed on 28 May 2024)
Dr Rosli Bin Azad Khan	(Resigned on 4 October 2023)
Sulaiman Bin Ibrahim	(Resigned on 28 February 2024)
Nurhilwani Binti Mohamad Asnawi	(Resigned on 28 February 2024)
Datuk Mohd Zaid Bin Ibrahim	(Resigned on 11 October 2024)

The names of Directors of subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part thereof.

Directors' Interests in Shares or Debentures

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			At 30.6.2024
	At 1.7.2023	Acquired	Disposed	
Interest in the Company:				
Direct interest				
Datuk Mohd Zaid Bin Ibrahim	1,200,000	-	(1,200,000)	-
Dato' Sri Nik Hamdan Bin Daud	92,137,837	-	-	92,137,837
Dato' Sri Azman Shah Bin Mohd Zakaria	20,611,624	-	-	20,611,624
Indirect interest				
Dato' Sri Nik Hamdan Bin Daud ¹	10,891,800	-	-	10,891,800
Dato' Sri Azman Shah Bin Mohd Zakaria ²	-	116,000	-	116,000

Notes:

¹ Deemed interested by virtue of his child's shareholding in the Company.

² Deemed interested by virtue of his spouse's shareholding in the Company.

DIRECTORS' REPORT

Directors' Interests in Shares or Debentures (Continued)

By virtue of their interests in the shares of the Company, Dato' Sri Nik Hamdan Bin Daud and Dato' Sri Azman Shah Bin Mohd Zakaria are deemed to have interests in the shares of all the subsidiary companies to the extent the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares or debentures in the Company or its subsidiaries during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) 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, other than those disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

Directors' remuneration is as follows:

	Group RM'000	Company RM'000
Directors' remuneration:		
- fees	772	532
- salary and other emoluments	4,948	2,744
- allowances	41	41
- defined contribution plan	594	329
- other benefit	6	2
	<u>6,361</u>	<u>3,648</u>

Subsidiary Companies

Details of the subsidiary companies are disclosed in Note 4 to the financial statements.

DIRECTORS' REPORT

Auditors' Remuneration

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Statutory audit:		
- HLB Ler Lum Chew PLT	216	115
- Other auditors	23	-
	<u>239</u>	<u>115</u>

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render:

- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

Other Statutory Information (Continued)

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

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Significant Events

Details of the significant events are disclosed in Note 30 to the financial statements.

Auditors

The auditors, HLB Ler Lum Chew PLT have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

DATO' SRI AZMAN SHAH BIN MOHD
 ZAKARIA

DATO' RASDEE BIN ABDULLAH

PUCHONG, SELANGOR
 23 OCTOBER 2024

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, DATO' SRI AZMAN SHAH BIN MOHD ZAKARIA and DATO' RASDEE BIN ABDULLAH, being two of the Directors of BARAKAH OFFSHORE PETROLEUM BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

DATO' SRI AZMAN SHAH BIN MOHD
ZAKARIA

DATO' RASDEE BIN ABDULLAH

PUCHONG, SELANGOR
23 OCTOBER 2024

STATEMENT DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, MEGAT KHAIRULAZHAR BIN KHAIRODIN, being the officer primarily responsible for the financial management of BARAKAH OFFSHORE PETROLEUM BERHAD, do solemnly and sincerely declare that the accompanying financial statements 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 the)
abovenamed MEGAT KHAIRULAZHAR)
BIN KHAIRODIN)
at PUCHONG, SELANGOR)
on this date of 23 OCTOBER 2024)

MEGAT KHAIRULAZHAR BIN
KHAIRODIN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barakah Offshore Petroleum Berhad, which comprise the statements of financial position as at 30 June 2024 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 96 to 165.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD

Key Audit Matters (Continued)

1. Liquidity position of the Group and of the Company
(Refer to Note 2.1 and Note 27 of the financial statements)

The risk

During the financial year ended 30 June 2024, the Group recorded negative operating cash flows of RM7,145,000 and it has a term loan amounting to RM51,915,000 which is due for repayment on 31 October 2024.

In assessing the liquidity position of the Group and of the Company, management had considered the repayment obligations for liabilities and cost overheads which are due in next 12 months, taking into consideration of the following:

- proceeds from the proposed disposal of its pipe laying barge and machinery and equipment on board;
- letter from its financier expressing its support to the Group to utilise the proceeds from the proposed disposal of KL 101 for partial settlement of loan and allowing the remaining balance to be restructured and payable over a period of time which acceptable to the financier; and
- release of adjudicated sum arising from the favorable outcome from the adjudication against its customer by the Director of the Asian International Arbitration Centre ("AIAC") pursuant to the order from Court of Appeal as disclosed in Note 29 (e) to the financial statements.

We focused on this area due to the significant degree of judgements and estimates used by the management in deriving at the cash flow forecast.

How our audit addressed the key audit matter

Our audit procedures included the following:

- obtained understanding on management's control and evaluated management's going concern assessment that covers twelve months from the date of financial statements through review of cash flow forecast approved by the Board of Directors;
- inquired management as to its knowledge of events or conditions beyond the period of management's going concern assessment;
- assessed the reasonableness of the management's key assumptions used and judgement exercised on its cash flows forecast;
- evaluated the relevant supporting documentation to support the circumstances used in the cash flows forecast;
- performed scenario analysis on the range of possible outcomes faced by the Group and the Company; and
- considered the completeness and accuracy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD

Key Audit Matters (Continued)

2. Revenue recognition from hook-up, commissioning, maintenance, transportation and installation contracts
(Refer to Note 2.2(i), Note 2.4(k)(i) and Note 19 of the financial statements)

The risk

The Group generates revenue from hook-up, commissioning, maintenance, transportation and installation contracts amounting to RM131,273,000 for the financial year ended 30 June 2024.

Significant accounting judgements are involved in revenue recognition, which includes:

- estimation of total budgeted project costs and the assessment of costs to complete the projects;
- determination of the progress towards satisfaction of the performance obligations and overall progress of the Group's projects; and
- consideration of variation orders and claims with the Group's customers.

We focused on this area due to the complexity and inherent subjectivity in revenue recognition.

How our audit addressed the key audit matter

Our audit procedures included the following:

- obtained an understanding on the Group's revenue recognition policies and internal controls over the approval of project budgets;
- verified budgeted revenue to the approved work order, and in certain circumstances, approved variation orders;
- inspected cost incurred to-date against suppliers' invoices to ascertain the reasonableness of budgeted costs;
- verified the progress towards satisfaction of the performance obligations by checking to service acceptance forms, and performed re-computation on the percentage of completion; and
- assessed the completeness, accuracy and adequacy of disclosures in the financial statements.

3. Expected credit loss of trade receivables and accrued billing
(Refer to Note 2.2(ii), Note 2.4(g)(iv), Note 7 and Note 8 of the financial statements)

The risk

As at 30 June 2024, the Group carried gross trade receivables and accrued billing amounting to RM25,162,000 and RM19,858,000 respectively. An expected credit loss allowance of RM9,320,000 was made in relation to the trade receivable and accrued billing.

In assessing expected credit losses, the Group considered the historical loss rate of the receivables, adjusted for forward-looking factors and any known adverse conditions in respect of the receivables which would affect the recoverability of the balances.

We focused on this area due to the inherent subjectivity in making judgement in relation to credit risk exposures in determining the recoverability of the trade receivables and accrued billing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD

Key Audit Matters (Continued)

3. Expected credit loss of trade receivables and accrued billing (continued)
(Refer to Note 2.2(ii), Note 2.4(g)(iv), Note 7 and Note 8 of the financial statements) (continued)

How our audit addressed the key audit matter

Our audit procedures included the following:

- obtained an understanding of the Group's credit control;
- recomputed the probability of default using historical data and forward-looking information applied by the Group;
- scrutinised trade receivable ageing and contract schedules and investigated trends and conditions that may indicate objective evidence of impairment;
- reviewed the appropriateness and reasonableness of the assumptions applied in the management's assessment of the expected credit loss, taking into account specific known receivables' circumstances; and
- assessed the completeness, accuracy and adequacy of disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARAKAH OFFSHORE PETROLEUM BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 4 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any person for the content of this report.

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

TANG YAN YU
03452/10/2025 J
Chartered Accountant

23 October 2024
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Group	
	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	2,374	2,707
Right-of-use assets	5	916	1,071
Deferred tax assets	16	593	-
		3,883	3,778
Current Assets			
Trade receivables	7	16,334	22,832
Contract assets	8	20,761	24,401
Other receivables	10	6,674	4,922
Tax recoverable		1,948	4,151
Cash and cash equivalents	11	54,558	63,687
		100,275	119,993
Non-current asset held for sale	6	37,001	52,589
		137,276	172,582
TOTAL ASSETS		141,159	176,360
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	12	241,561	241,561
Reserves	13	(215,683)	(256,615)
Equity attributable to owners of the Company		25,878	(15,054)
Non-controlling interests		1,467	(157)
TOTAL EQUITY		27,345	(15,211)
Non-Current Liabilities			
Lease liabilities	15	219	562
Deferred tax liabilities	16	-	213
		219	775
Current Liabilities			
Trade payables	17	25,732	121,278
Other payables	18	15,192	2,546
Contract liabilities	8	20,031	10,528
Borrowings	14	51,915	51,748
Lease liabilities	15	725	533
Tax payable		-	4,163
		113,595	190,796
TOTAL LIABILITIES		113,814	191,571
TOTAL EQUITY AND LIABILITIES		141,159	176,360

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Company	
		2024 RM'000	2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	131	133
Investment in subsidiary companies	4	16,884	2,112
Right-of-use assets	5	479	853
		<u>17,494</u>	<u>3,098</u>
Current Assets			
Amount owing by subsidiaries	9	2,482	-
Other receivables	10	331	226
Tax recoverable		361	-
Cash and cash equivalents	11	28,259	48,002
		<u>31,433</u>	<u>48,228</u>
TOTAL ASSETS		<u>48,927</u>	<u>51,326</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	12	241,561	241,561
Reserves	13	(193,535)	(192,259)
TOTAL EQUITY		<u>48,026</u>	<u>49,302</u>
Non-Current Liabilities			
Lease liabilities	15	111	499
Current Liabilities			
Other payables	18	402	685
Lease liabilities	15	388	369
Tax payable		-	471
		<u>790</u>	<u>1,525</u>
TOTAL LIABILITIES		<u>901</u>	<u>2,024</u>
TOTAL EQUITY AND LIABILITIES		<u>48,927</u>	<u>51,326</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	19	133,875	136,317	9,266	8,455
Cost of sales		(45,356)	(110,590)	-	-
Gross profit		88,519	25,727	9,266	8,455
Other income		3,749	11,049	1,106	1,260
Administrative expenses		(19,156)	(17,379)	(8,460)	(8,018)
Other operating expenses		(27,694)	(18,022)	(3,154)	(2,685)
Net reversal of expected credit loss allowances on financial assets and contract assets		189	2,322	-	-
Profit/(Loss) from operations		45,607	3,697	(1,242)	(988)
Finance costs		(2,897)	(2,614)	(34)	(35)
Profit/(Loss) before taxation	20	42,710	1,083	(1,276)	(1,023)
Taxation	22	1,643	(5,086)	-	48
Profit/(Loss) for the financial year		44,353	(4,003)	(1,276)	(975)
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(1,865)	(6,379)	-	-
Total comprehensive income/(loss) for the financial year		42,488	(10,382)	(1,276)	(975)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		42,797	(3,998)	(1,276)	(975)
Non-controlling interests		<u>1,556</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
		<u>44,353</u>	<u>(4,003)</u>	<u>(1,276)</u>	<u>(975)</u>
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		40,932	(10,370)	(1,276)	(975)
Non-controlling interests		<u>1,556</u>	<u>(12)</u>	<u>-</u>	<u>-</u>
		<u>42,488</u>	<u>(10,382)</u>	<u>(1,276)</u>	<u>(975)</u>
Earnings/(Loss) per share					
Basic and diluted (sen)	23	<u>4.27</u>	<u>(0.40)</u>		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Attributable to owners of the Company					Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000		
At 1 July 2023	241,561	(71,909)	(8,578)	(176,128)	(15,054)	(157)	(15,211)
Profit for the financial year	-	-	-	42,797	42,797	1,556	44,353
Other comprehensive loss:							
Foreign currency translation differences	-	-	(1,865)	-	(1,865)	-	(1,865)
Total comprehensive income for the financial year	-	-	(1,865)	42,797	40,932	1,556	42,488
Incorporation of a new subsidiary company	-	-	-	-	-	68	68
At 30 June 2024	241,561	(71,909)	(10,443)	(133,331)	25,878	1,467	27,345

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Attributable to owners of the Company					Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000		
At 1 July 2022	241,561	(71,909)	(1,976)	(172,360)	(4,684)	(145)	(4,829)
Loss for the financial year	-	-	-	(3,998)	(3,998)	(5)	(4,003)
Other comprehensive loss:							
Foreign currency translation differences	-	-	(6,372)	-	(6,372)	(7)	(6,379)
Total comprehensive loss for the financial year	-	-	(6,372)	(3,998)	(10,370)	(12)	(10,382)
Realisation of foreign exchange translation reserve upon disposal of foreign operation	-	-	(230)	230	-	-	-
At 30 June 2023	241,561	(71,909)	(8,578)	(176,128)	(15,054)	(157)	(15,211)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Company	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
At 1 July 2023	241,561	(192,259)	49,302
Loss/Total comprehensive loss for the financial year	-	(1,276)	(1,276)
At 30 June 2024	<u>241,561</u>	<u>(193,535)</u>	<u>48,026</u>
At 1 July 2022	241,561	(191,284)	50,277
Loss/Total comprehensive loss for the financial year	-	(975)	(975)
At 30 June 2023	<u>241,561</u>	<u>(192,259)</u>	<u>49,302</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash Flows from Operating Activities					
Profit/(Loss) before taxation		42,710	1,083	(1,276)	(1,023)
Adjustments for:					
Depreciation of property, plant and equipment		681	1,004	15	9
Depreciation of right-of-use assets		760	3,839	374	271
Gain on disposal of property, plant and equipment		-	(134)	-	(134)
Amount owing by subsidiary companies written-off		-	-	-	9
Impairment loss on non-current asset held for sale	6	16,116	8,015	-	-
Property, plant and equipment written-off		-	1,646	-	-
Provision/(Reversal) of impairment loss on investment in subsidiary companies		-	-	696	(23)
Finance costs		2,916	2,628	34	35
Net (reversal)/provision of expected credit loss allowance on:					
- trade receivables	7	(1,866)	(2,127)	-	-
- accrued billings	7	-	(9)	-	-
- other receivables	10	366	-	-	-
- contract assets	8	59	(186)	-	-
Interest income		(1,343)	(1,442)	(1,105)	(1,125)
Derecognition of lease liabilities		-	(2,636)	-	-
Reversal of accrued purchases	29(a)	(70,223)	-	-	-
Waiver of debt		(4,297)	-	-	-
Unrealised foreign exchange gain		(217)	(6,804)	-	(12)
Operating (loss)/profit before changes in working capital		(14,338)	4,877	(1,262)	(1,993)
Changes in working capital:					
Trade and other receivables		6,206	13,313	(105)	(155)
Contract assets/(liabilities)		13,106	3,216	-	-
Amount owing by subsidiary companies		-	-	(17,673)	26,219
Trade and other payables		(8,970)	3,482	(283)	(225)
Cash (used in)/generated from operations		(3,996)	24,888	(19,323)	23,846
Interest paid		(3,346)	(2,628)	(34)	(35)
Interest received		1,343	1,442	1,105	1,125
Tax refund		4,332	49	-	-
Tax paid		(5,478)	(4,291)	(832)	(815)
Net cash (used in)/generated from operating activities		(7,145)	19,460	(19,084)	24,121

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash Flows from Investing Activities					
Proceeds from disposal of property, plant and equipment		-	134	-	134
Purchase of property, plant and equipment		(348)	(392)	(13)	(141)
Decrease in cash and bank pledged to a licensed bank		-	747	-	-
Investment in subsidiaries companies		-	-	(277)	-
Issuance of share to non-controlling interest upon incorporation of a new subsidiary company		68	-	-	-
(Increase)/Decrease in fixed deposits pledged to licensed banks		(5,321)	9,643	-	-
Net cash (used in)/generated from investing activities		(5,601)	10,132	(290)	(7)
Cash Flows from Financing Activity					
Repayment of lease liabilities	24	(756)	(1,331)	(369)	(256)
Net cash used in financing activity		(756)	(1,331)	(369)	(256)
Net (decrease)/increase in cash and cash equivalents		(13,502)	28,261	(19,743)	23,858
Effect of changes in exchange rate		(943)	411	-	-
Cash and cash equivalents at the beginning of the financial year		60,704	32,032	48,002	24,144
Cash and cash equivalents at the end of the financial year		46,259	60,704	28,259	48,002
Cash and cash equivalents at the end of the financial year comprises:					
Fixed deposit placed with licensed banks	11	10,532	3,941	-	-
Short-term investment	11	28,466	49,500	27,387	46,181
Cash and bank balances	11	15,560	10,246	872	1,821
Bank overdraft	14	-	(5)	-	-
		54,558	63,682	28,259	48,002
Less: Fixed deposit pledged to licensed banks		(8,299)	(2,978)	-	-
		46,259	60,704	28,259	48,002

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The principal activities of the Company are investment holding.

The principal activities of its subsidiary companies are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated under the Companies Act 1965 and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

2. Basis of Preparation and Material Accounting Policy Information

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in material accounting policy information.

The financial statements of the Group and of the Company have been prepared on a going concern basis notwithstanding that during the financial year ended 30 June 2024, the Group recorded negative operating cash flows of RM7,145,000 and it has a term loan amounting to RM51,915,000 which is due for repayment on 31 October 2024.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.1 Basis of preparation (continued)

The Directors have considered the following in assessing the appropriateness of the use of the going concern assumption in the preparation of the current year financial statements:

- (a) The Group has an active plan to locate a buyer and appointed a shipbroker to dispose its pipe laying barge and machinery and equipment on board (“KL 101”) which has been classified as non-current asset held for sale as at 30 June 2024 as disclosed in Note 6 to the financial statements. As at the date of this report, the Group is at an advanced stage of negotiation with a potential buyer, pending completion of necessary due diligence assessment on the potential buyer and execution of Memorandum of Agreement, which is expected to be completed within the next financial year;
- (b) The Group had received a letter on 26 September 2024 from its financier for the term loan as disclosed in Note 14 to the financial statements, expressing their support to the Group to utilise the proceeds from the proposed disposal of KL 101 as disclosed in Note 6 to the financial statements for partial settlement of the term loan and allowing the remaining balance to be restructured and payable over a period of time which acceptable to the financier;
- (c) On 20 August 2024, the Court of Appeal ordered the Director of the Asian International Arbitration Centre (“AIAC”) to release a sum of RM78.817 million, being the adjudicated sum arising from adjudication against its customer as disclosed in Note 29 (e) to financial statements. The Group sought legal advice from its external solicitor on the Motion for Leave subsequently filed by the counter party, of which the solicitor opined that the Group stands a high chance to dismiss it and confirmed that the Group has legal right to withdraw and utilise the said amount. Premised on this, the Group expects that the amount will be released to the Group upon hearing of the Motion for Leave on 4 November 2024; and
- (d) The Company is in the process of formulating its new regularisation plan for approval by Bursa Malaysia Securities Berhad (“Bursa Securities”) subsequent to the withdrawal of its previous regularisation plan on 30 October 2023. The new regularisation plan comprises proposed capital reduction, share consolidation, shares issuance and establishment of employees’ shares scheme.

Significant assumptions and judgements are used in the preparation of the cash flow forecast.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.2.

Accounting standard and amendments to accounting standards that are effective for the Group's and the Company's financial period beginning on or after 1 July 2023 are as follows:

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts" (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The above accounting standard and amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.1 Basis of preparation (continued)

Accounting standards and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, “Leases” (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 “Statement of Cash Flows” and MFRS 7 “Financial Instruments: Disclosures” (Supplier Finance Arrangements)

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121 “The Effects of Changes in Foreign Exchange Rates” (Lack of Exchangeability)

Annual periods beginning on/after 1 January 2026

- Amendments to MFRS 7 “Financial Instruments: Disclosures” and MFRS 9 “Financial Instruments” (Amendments to the Classification and Measurement of Financial Instruments)

Annual periods beginning on/after 1 January 2027

- MFRS 18 “Presentation and Disclosure in Financial Statements”
- MFRS 19 “Subsidiaries without Public Accountability: Disclosure”

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.2 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- (i) Revenue recognition from hook-up, commissioning, maintenance, transportation and installation contracts

The Group recognises revenue from hook-up, commissioning, maintenance, transportation and installation contracts over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation using the output method. The output method recognises revenue based on contract work certified to date which depicts the basis of direct measurements of value to the customer for the work performed to date relative to the remaining hook-up, commissioning, maintenance, transportation and installation work promised under the contract.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations, the estimated total contract revenue and costs, as well as the recoverability of the cost incurred to fulfill the contract with the customer. In making the judgement, the Group evaluates by relying on past experience, industry practices and the work of specialists.

- (ii) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

2.3 Basis of consolidation

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.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.3 Basis of consolidation (continued)

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

2.4 Material accounting policy information

(a) Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(b) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as net in the profit or loss.

(ii) Depreciation

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended to use. Other property, plant and equipment are depreciated on the straight-line method to their residual values over their estimated useful lives as follows:

Leasehold land	99 years
Computers	2 years
Furniture and fittings	10 years
Communication equipment	10 years
Motor vehicles	5 years
Machinery and equipment	4 - 10 years
Office equipment	10 years
Renovation	10 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(c) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserve.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(e) Foreign currencies (continued)

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the translation reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the translation reserve.

(f) Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(f) Non-current assets held for sale (continued)

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(g) Financial assets

(i) Classification

The Group classifies its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(g) Financial assets (continued)

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade and other receivables, contract assets and cash and cash equivalents.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables and contract assets, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(g) Financial assets (continued)

(iv) Impairment (continued)

In measuring expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(h) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Finance liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(i) Leases

(i) Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(i) Leases (continued)

(i) Accounting by lessee (continued)

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(ii) Accounting by lessor

The Group and the Company determine at lease inception whether each lease is a finance lease or operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating leases as lease income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(j) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(k) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer have approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Construction contract

Revenue from construction, commissioning, maintenance, transport and installation services is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance creates and enhances an asset that the customer controls as the Group performs.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on direct measurements of the value transferred by the Group to the customer (e.g. surveys or appraisals of performance completed to date).

Incremental costs of obtaining a contract, if recoverable, are capitalised as contract assets and are subsequently amortised consistently with the pattern of revenue for the related contract.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(k) Revenue and income recognition (continued)

(i) Revenue from contracts with customers (continued)

Chartering income

Revenue from vessel chartering is recognised on a straight-line basis over the period of charter. Accrued income is recognised within trade receivables when the services have been rendered but pending billings to be made.

Provision of yard facilities

Revenue is recognised over time in the period in which the yard facilities are provided to a customer. The Group recognises revenue as and when services are rendered. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Others

Revenue from trading is recognised when the Group satisfies a performance obligation by transferring promised good (i.e. an asset) to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

(ii) Management fee

Management fee is recognised on an accrual basis when service is rendered.

(iii) Other income

Interest income

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

Rental income

Rental income is recognised on a straight-line basis over the tenure of the lease.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation and Material Accounting Policy Information (Continued)

2.4 Material accounting policy information (continued)

(l) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in profit or loss in the period to which they relate.

(m) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(n) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group President and Chief Executive Officer that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, Plant and Equipment (Continued)

	Balance as at 1.7.2022 RM'000	Addition RM'000	Written- off RM'000	Disposal RM'000	Balance as at 30.6.2023 RM'000
Group - 2023					
Cost					
Leasehold land	1,858	-	-	-	1,858
Computers	435	244	-	-	679
Furniture and fittings	84	-	(81)	-	3
Communication equipment	1	-	-	-	1
Motor vehicles	3,367	-	-	(1,372)	1,995
Machinery and equipment	28,317	-	-	-	28,317
Office equipment	684	18	(622)	-	80
Renovation	3,857	130	(3,264)	-	723
	38,603	392	(3,967)	(1,372)	33,656
	Balance as at 1.7.2022 RM'000	Charge for the year RM'000	Written-off RM'000	Disposal RM'000	Balance as at 30.6.2023 RM'000
Accumulated depreciation					
Leasehold land	377	19	-	-	396
Computers	298	199	-	-	497
Furniture and fittings	72	2	(72)	-	2
Communication equipment	-	-	-	-	-
Motor vehicles	3,346	21	-	(1,372)	1,995
Machinery and equipment	20,803	513	-	-	21,316
Office equipment	621	19	(593)	-	47
Renovation	1,612	231	(1,656)	-	187
	27,129	1,004	(2,321)	(1,372)	24,440
Accumulated impairment losses					
Leasehold land	-	-	-	-	-
Computers	-	-	-	-	-
Furniture and fittings	-	-	-	-	-
Communication equipment	-	-	-	-	-
Motor vehicles	-	-	-	-	-
Machinery and equipment	6,509	-	-	-	6,509
Office equipment	-	-	-	-	-
Renovation	-	-	-	-	-
	6,509	-	-	-	6,509

NOTES TO THE FINANCIAL STATEMENTS

3. Property, Plant and Equipment (Continued)

	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
Company Cost						
At 1.7.2022	3	2	1,372	2	-	1,379
Addition	3	-	-	8	130	141
Disposal	-	-	(1,372)	-	-	(1,372)
At 30.6.2023	6	2	-	10	130	148
Accumulated depreciation						
At 1.7.2022	2	2	1,372	2	-	1,378
Charge for the financial year	*	*	-	*	9	9
Disposal	-	-	(1,372)	-	-	(1,372)
At 30.6.2023	2	2	-	2	9	15
Carrying amount						
At 30.6.2023	4	*	-	8	121	133

Notes:-

* - Denotes less than RM500

4. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	99,354	99,077
Share options granted to employees of a subsidiary	5,745	5,745
Amount owing by subsidiary companies treated as quasi-investment	16,103	912
	121,202	105,734
Less: Impairment loss	(104,318)	(103,622)
	16,884	2,112

The amount owing by subsidiary companies are unsecured and interest-free. The settlement is neither planned or likely to occur in the foreseeable future as it is the intention of the Company to treat this amount as long-term source of capital to the subsidiary companies as this amount is, in substance, a part of the Company's net investment in the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in Subsidiary Companies (Continued)

(a) Investment in subsidiary companies (continued)

Movement on the provision for impairment of investment in subsidiary companies is as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of the financial year	103,622	103,886
Charge during the financial year	696	-
Reversal during the financial year	-	(23)
Written-off during the financial year	-	(241)
At end of the financial year	<u>104,318</u>	<u>103,622</u>

The subsidiary companies and shareholding therein are as follows:

Name of company	Country of incorporation/ principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Direct holding:				
PBJV Group Sdn. Bhd. ^{3,5}	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.
Barakah Offshore Energy Sdn. Bhd. ¹	Malaysia	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in Subsidiary Companies (Continued)

(a) Investment in subsidiary companies (continued)

The subsidiary companies and shareholding therein are as follows: (continued)

Name of company	Country of incorporation/ principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Direct holding: (continued)				
Allseas Oil & Gas Sdn. Bhd.	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.
Cendana Pasifika Sdn. Bhd. ¹	Malaysia	100	100	Engineering, procurement, construction and maintenance services
Cenang Bayuemas Sdn. Bhd. ¹	Malaysia	100	100	Engineering, procurement, construction and maintenance services
PBJV (B) Sdn Bhd ¹ ("PBJV (B)")	Brunei Darussalam	80	-	Mining support services activities

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in Subsidiary Companies (Continued)

(a) Investment in subsidiary companies (continued)

The subsidiary companies and shareholding therein are as follows: (continued)

Name of company	Country of incorporation /principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Indirect holding:				
Subsidiary of PBJV Group Sdn. Bhd.				
Kota Laksamana Management Sdn. Bhd.	Malaysia	100	100	Conducting service expedition relating to marine activities for the oil and gas industry.
PBJV Gulf Co. Ltd ^{2,4} ("PBJV Gulf")	Kingdom of Saudi Arabia	85	85	Dormant
Kota Laksamana 101 Ltd	Malaysia	100	100	Ship-owning and other shipping related activities.
PBJV Macfeam Sdn. Bhd. ("PBJV Macfeam")	Malaysia	51	51	Dormant
Subsidiary of Barakah Offshore Energy Sdn. Bhd.				
PBJV Energy Sdn. Bhd. ¹	Malaysia	100	100	Dormant

¹ Subsidiary companies audited by other firm of chartered accountants.

² The subsidiary company is under Member's Voluntary Liquidation.

³ The subsidiary company was consolidated using the merger method of accounting.

⁴ The audited financial statements for the financial year ended 30 June 2024 of the subsidiary company are not available at the date of financial statements of the Group. However, the Directors are of the opinion that the financial results of the subsidiary company are not material to the Group as the subsidiary company is dormant.

⁵ The auditors' report on the financial statement of the subsidiary contains a qualified opinion.

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in Subsidiary Companies (Continued)

- (b) Incorporation of a new subsidiary company (continued)

On 16 October 2023, the Company has incorporated a 80% owned subsidiary, PBJV (B) Sdn Bhd under the Chapter 39, Companies Act in Brunei Darussalam with principal business in providing mining support services activities with an initial paid up capital of BND100,000.

- (c) Non-controlling interests ("NCI") in subsidiary companies:

	PBJV Macteam		PBJV Gulf		PBJV (B)	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	-	-	-	-	152	-
Current assets	75	77	-	1,244	12,925	-
Non-current liabilities	-	-	-	-	(46)	-
Current liabilities	(109)	(103)	(2,240)	(2,215)	(3,933)	-
Net (liabilities)/assets	(34)	(26)	(2,240)	(971)	9,098	-
Carrying amount of NCI as at 30 June	(17)	(13)	(336)	(146)	1,820	-
Revenue	-	-	-	-	26,552	-
(Loss)/Profit for the financial year	(8)	(9)	(1,252)	-	8,739	-
Total comprehensive (loss)/income for the financial year	(8)	(9)	(1,269)	(54)	8,751	-
(Loss)/Profit allocated to NCI during the financial year	(4)	(5)	(188)	-	1,748	-
Total comprehensive (loss)/profit allocated to NCI during the financial year	(4)	(5)	(190)	(8)	1,750	-
Cash generated from/(used in) operating activities	1	(1)	-	-	4,645	-
Cash generated from financing activities	-	-	-	-	287	-
Net increase/(decrease) in cash and cash equivalents	1	(1)	-	-	4,932	-
Ownership interest and voting rights percentage held by NCI	49%	49%	15%	15%	20%	-

NOTES TO THE FINANCIAL STATEMENTS

5. Right-of-Use Assets

	Office and yard RM'000	Office equipment RM'000	Total RM'000
Group - 2024			
Cost			
At 1.7.2023	2,233	136	2,369
Addition	542	64	606
Completion of lease term	(800)	-	(800)
Exchange differences	(1)	(1)	(2)
At 30.6.2024	1,974	199	2,173
Accumulated depreciation			
At 1.7.2023	1,228	70	1,298
Charge for the financial year	717	43	760
Completion of lease term	(800)	-	(800)
Exchange differences	*	(1)	(1)
At 30.6.2024	1,145	112	1,257
Carrying amount			
At 30.6.2024	829	87	916
Group - 2023			
Cost			
At 1.7.2022	8,885	122	9,007
Addition	1,124	28	1,152
Completion of lease term	(7,776)	(14)	(7,790)
At 30.6.2023	2,233	136	2,369
Accumulated depreciation			
At 1.7.2022	5,197	52	5,249
Charge for the financial year	3,807	32	3,839
Completion of lease term	(7,776)	(14)	(7,790)
At 30.6.2023	1,228	70	1,298
Carrying amount			
At 30.6.2023	1,005	66	1,071

NOTES TO THE FINANCIAL STATEMENTS

5. Right-of-Use Assets (Continued)

	Office	
	2024 RM'000	2023 RM'000
Company		
Cost		
At beginning of the financial year	1,124	-
Addition	-	1,124
At end of the financial year	1,124	1,124
Accumulated depreciation		
At beginning of the financial year	271	-
Charge for the financial year	374	271
At end of the financial year	645	271
Carrying amount		
At end of the financial year	479	853

6. Non-Current Asset Held for Sale

	Machinery and equipment RM'000	Barge and pipe laying equipment RM'000	Total RM'000
Group			
Cost			
At 1.7.2023	342	71,050	71,392
Exchange differences	4	830	834
At 30.6.2024	346	71,880	72,226
Accumulated impairment loss			
At 1.7.2023	90	18,713	18,803
Charge for the year	77	16,039	16,116
Exchange differences	1	305	306
At 30.6.2024	168	30,057	35,225
Carrying amount			
At 30.6.2024	178	36,823	37,001

NOTES TO THE FINANCIAL STATEMENTS

6. Non-Current Asset Held for Sale (Continued)

	Machinery and equipment RM'000	Barge and pipe laying equipment RM'000	Total RM'000
Group			
Cost			
At 1.7.2022	503	66,956	67,459
Exchange differences	(161)	4,094	3,933
At 30.6.2023	<u>342</u>	<u>71,050</u>	<u>71,392</u>
Accumulated impairment loss			
At 1.7.2022	47	9,861	9,908
Charge for the year	38	7,977	8,015
Exchange differences	5	875	880
At 30.6.2023	<u>90</u>	<u>18,713</u>	<u>18,803</u>
Carrying amount			
At 30.6.2023	<u>252</u>	<u>52,337</u>	<u>52,589</u>

The Group has classified its barge and pipe laying equipment and machinery and equipment on board (“the barge”) as non-current asset held for sale following the appointment of a technical advisor on 12 June 2023 to assist the Group in appointing an auctioneer to coordinate and facilitate the disposal of the barge through auction.

Notwithstanding there were no successful bids from the auction held on 27 June 2024, the Group had on 28 June 2024 received a marketing plan from another shipbroker and subsequently formally appointed the shipbroker on 9 July 2024 to dispose the barge via private tender. As such, the barge continued to be classified as non-current asset held for sale as of the financial year end.

Arising from the unsuccessful auction, the Group reassessed the recoverable amount of the non-current asset held for sale based on last offer price by a potential bidder from the auction, discounted for estimated make good cost of the barge and took into consideration the comments from the auctioneer in its post-bidding summary dated 30 June 2024. Accordingly, an impairment loss of RM16.116 million (2023: RM8.015 million) was recognised under other operating expenses during the financial year.

As at the date of this report, the Group is at an advanced stage of negotiation with a potential buyer, pending completion of necessary due diligence assessment on the potential buyer and execution of Memorandum of Agreement, which is expected to be completed within the next financial year.

The non-current asset held for sale had been pledged as security for the term loan facility granted to the Group as disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

7. Trade Receivables

		Group	
	Note	2024 RM'000	2023 RM'000
Trade receivables	(a)	25,162	33,526
Less: Expected credit loss allowances	(b)	(8,828)	(10,694)
		<u>16,334</u>	<u>22,832</u>

(a) Trade receivables

The Group's normal trade credit terms is 30 days (2023: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group is an amount of RM1.400 million (2023: RM6.970 million) owing by a substantial shareholder of the Company.

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
Neither past due nor individually impaired	6,154	13,067
Past due but not individually impaired		
- past due 1 - 60 days	8,243	11
- past due 61 - 365 days	3,452	12,670
- past due more than 365 days	-	465
	11,695	13,146
Individually impaired	<u>7,313</u>	<u>7,313</u>
	<u>25,162</u>	<u>33,526</u>

The Group's trade receivables of RM11.695 million (2023: RM13.146 million) were past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group's trade receivables of RM7.313 million (2023: RM7.313 million) were individually impaired. The individually impaired receivables mainly relate to trade receivables which are facing cash flow difficulties or under material litigations as disclosed in Note 29 (b) to the financial statements.

At the reporting date, the Group's concentration of the top 2 (2023: 3) trade customers represent 74% (2023: 81%) of the total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

7. Trade Receivables (Continued)

- (b) Movements on the provision for expected credit loss allowances on trade receivables are as follows:

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	10,694	12,936
Charge during the financial year	-	2,908
Reversal during the financial year	(1,866)	(5,035)
Written-off during the financial year	-	(115)
At end of the financial year	<u>8,828</u>	<u>10,694</u>
Represented by:		
Individual impairment	7,313	7,313
Lifetime expected credit loss	1,515	3,381
	<u>8,828</u>	<u>10,694</u>

- (c) Movements on the provision for expected credit loss allowances on accrued billing are as follows:

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	-	9
Reversal during the financial year	-	(9)
At end of the financial year	<u>-</u>	<u>-</u>

8. Contract Assets/(Liabilities)

	Note	Group	
		2024 RM'000	2023 RM'000
Cost incurred to date		308,201	219,919
Add: Attributable profits		149,400	112,114
Less: Progress billings		(456,379)	(317,727)
		<u>1,222</u>	<u>14,306</u>
Less: Expected credit loss allowances	(a)	(492)	(433)
		<u>730</u>	<u>13,873</u>

NOTES TO THE FINANCIAL STATEMENTS

8. Contract Assets/(Liabilities) (Continued)

	Note	Group	
		2024 RM'000	2023 RM'000
Represented by:			
Construction activities			
- accrued billing		19,858	22,452
less: Expected credit loss allowances	(a)	(492)	(433)
		19,366	22,019
- contract assets		1,395	2,382
- contract liabilities		(20,031)	(10,528)
		<u>730</u>	<u>13,873</u>

(a) Movement on the expected credit loss allowances on accrued billing is as follows:

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	433	619
Charge during the financial year	59	433
Reversal during the financial year	-	(619)
At end of the financial year	<u>492</u>	<u>433</u>

(b) As at the end of the financial year, the aggregate amount of the transaction price allocated to the remaining unfulfilled performance obligations of the Group is RM20.218 million (2023: RM31.710 million) which will be recognised as revenue when the relevant projects are completed, which are expected to occur over the next 6 months (2023: 12 months).

9. Amount Owing by Subsidiaries

Amount owing by subsidiaries are trade in nature and subject to normal credit term of 30 days (2023: Nil).

10. Other Receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables		291	164	7	12
Prepayments		740	574	152	73
Deposits	(a)	<u>6,009</u>	<u>4,184</u>	<u>172</u>	<u>141</u>
		7,040	4,922	331	226
Less: Expected credit loss allowances	(b)	<u>(366)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>6,674</u>	<u>4,922</u>	<u>331</u>	<u>226</u>

NOTES TO THE FINANCIAL STATEMENTS

10. Other Receivables (Continued)

(a) Deposits of the Group includes:

- (i) a financial guarantee issued in favour of third party customers amounting to RM3.303 million (2023: RM2.497 million); and
- (ii) security deposits of RM1.671 million (2023: Nil) paid for chartering of 2 units of support vessels which had been forfeited by the supplier subsequent to the financial year ended 30 June 2024 due to the decision of the Group to novate a contract.

(b) Movement on the expected credit loss allowances on deposits is as follows:

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	-	-
Charge during the financial year	366	-
At end of the financial year	<u>366</u>	<u>-</u>

11. Cash and Cash Equivalents

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term investment	(a)	28,466	49,500	27,387	46,181
Fixed deposits placed with licensed banks	(b)	10,532	3,941	-	-
Cash and bank balances		16,818	10,246	872	1,821
Less: Expected credit loss allowance	(c)	(1,258)	-	-	-
		<u>15,560</u>	<u>10,246</u>	<u>872</u>	<u>1,821</u>
		<u>54,558</u>	<u>63,687</u>	<u>28,259</u>	<u>48,002</u>

(a) The short-term investment represents the Group's and the Company's investments in short-term money market fund which are designed to provide investors with a regular stream of income. The redemption proceeds for investments will normally be collected by the next business day.

The Group considered short-term investments as investments in highly liquid money market instruments which are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

(b) Included in the fixed deposits placed with licensed banks of the Group at the end of the financial year were amounts of RM8.299 million (2023: RM2.978 million) which have been pledged to several licensed banks as security for banking facilities granted to the Group as disclosed in Note 14 to the financial statements and performance guarantee in favour of a third party customer.

NOTES TO THE FINANCIAL STATEMENTS

11. Cash and Cash Equivalents (Continued)

The fixed deposit pledged to a licensed bank for performance guarantee in favour of a third party customer amounting to RM5.242 million (2023: Nil) had been forfeited subsequent to the financial year ended 30 June 2024 due to the decision of the Group to novate a contract.

The interest rates and maturities of fixed deposits with licensed banks range from 2.30% to 2.70% (2023: 1.50% to 2.90%) per annum and 30 to 365 days (2023: 30 to 365 days) respectively.

(c) Movement in expected credit loss on cash and cash equivalents is as follows:

	Group Cash and bank balances RM'000
2024	
At beginning of the financial year	-
Charge during the financial year	1,252
Exchange differences	6
At end of the financial year	<u>1,258</u>

The Group's cash and bank balances of RM1.258 million (2023: Nil) were individually impaired due to the Group's restricted access over the bank balance in conjunction with the liquidation of its foreign subsidiary company.

12. Share Capital

	Group/Company			
	Number of shares		Amount	
	2024	2023	2024	2023
	Units'000	Units'000	RM'000	RM'000
Issued and fully paid				
At beginning/end of the financial year	<u>1,002,943</u>	<u>1,002,943</u>	<u>241,561</u>	<u>241,561</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Reserves

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Merger deficit	(a)	(71,909)	(71,909)	-	-
Foreign exchange translation reserve	(b)	(10,443)	(8,578)	-	-
Accumulated losses		<u>(133,331)</u>	<u>(176,128)</u>	<u>(193,535)</u>	<u>(192,259)</u>
		<u>(215,683)</u>	<u>(256,615)</u>	<u>(193,535)</u>	<u>(192,259)</u>

(a) Merger deficit

The merger deficit of RM71.909 million (2023: RM71.909 million) 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 principles.

(b) Foreign exchange translation reserve

The foreign exchange translation reserves arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

14. Borrowings

		Group	
		2024 RM'000	2023 RM'000
Current			
Secured:			
Term loan	(a)	51,915	51,743
Bank overdraft	(b)	-	5
		<u>51,915</u>	<u>51,748</u>

The above credit facilities obtained from licensed banks are secured by the following:

(a) Term loan

- (i) corporate guarantees from the Company and one of the subsidiary companies, PBJV Group Sdn. Bhd.;
- (ii) mortgage over the barge known as "Kota Laksamana 101" and pipe laying equipment as disclosed in Note 6 to the financial statements;
- (iii) an assignment over contract proceeds of the barge;
- (iv) an assignment and charge over the customers' project account; and
- (v) an assignment of the barge's insurance policies.

NOTES TO THE FINANCIAL STATEMENTS

14. Borrowings (Continued)

(b) Bank overdraft

- (i) fixed deposits pledge as disclosed in Note 11 to the financial statements; and
- (ii) joint and several guarantees from certain Directors of the Group.

The Company and its indirectly wholly-owned subsidiary company, Kota Laksamana 101 Ltd (“KL101 Ltd”) had entered into a settlement agreement with the licensed bank during the financial year ended 30 June 2022 for a final registered negotiated settlement amounting to USD12.650 million (equivalent to approximately RM55.761 million) to be paid over 11 quarterly instalment of USD0.138 million (equivalent to approximately RM0.608 million) commencing 30 July 2021, with a final instalment of USD11.380 million (equivalent to approximately RM50.163 million) due on 30 April 2024.

During the financial year, the Company and KL101 Ltd failed to meet their repayment obligation due on 30 April 2024. On 16 May 2024, the Company and KL101 Ltd entered into a supplemental agreement with the licensed bank to pay the agreed settlement sum of USD11.385 million (equivalent to approximately RM53.732 million) over 5 monthly instalments of USD0.064 million (equivalent to approximately RM0.302 million) from 31 May 2024, followed by a final instalment of USD11.064 million (equivalent to approximately RM52.217 million) due on 31 October 2024.

The Group had received a letter on 26 September 2024 from its financier expressing their support to the Group to utilise the proceeds from the proposed disposal of non-current asset held for sale for partial settlement of the term loan and allowing the remaining balance to be restructured and payable over a period of time which acceptable to the financier.

The interest rates of the borrowings of the Group during the financial year are as follows:

	Group	
	2024	2023
	%	%
Term loan	5.00	5.00
Bank overdraft	-	8.35

15. Lease Liabilities

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Repayable within twelve months	725	533	388	369
Repayable after twelve months	219	562	111	499
	<u>944</u>	<u>1,095</u>	<u>499</u>	<u>868</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred Taxation

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	593	-
Deferred tax liabilities	-	(213)
	593	(213)
At beginning of the financial year	(213)	(1,446)
Recognised in profit or loss: (Note 22)		
- property, plant and equipment	41	646
- provisions	(309)	682
- right-of-use assets	(3)	(49)
- unabsorbed capital allowances	40	(46)
- unutilised tax losses	1,037	-
	806	1,233
At end of the financial year	593	(213)

The components of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets		
- provisions	1,131	1,440
- right-of-use assets	-	2
- unabsorbed capital allowances	40	-
- unutilised tax losses	1,037	-
	2,208	1,442
Offsetting	(1,615)	(1,442)
Net deferred tax assets	593	-
Deferred tax liabilities		
- property, plant and equipment	(1,614)	(1,655)
- right-of-use assets	(1)	-
	(1,615)	(1,655)
Offsetting	1,615	1,442
Net deferred tax liabilities	-	(213)

NOTES TO THE FINANCIAL STATEMENTS

17. Trade Payables (Continued)

Included in accrued purchases are provisions amounting to Nil (2023: RM70.223 million) arising from litigation as disclosed in Note 29 (a) to the financial statements. During the financial year, management had reassessed the adequacy of the provisions made based on the evidence presented by both parties during evidential hearing and legal advice from its external solicitors. Accordingly, a reversal of accrued purchases of RM70.223 million (2022: Nil) was recognised under cost of sales.

18. Other Payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables	13,164	964	17	417
Accruals	1,798	1,582	385	268
Deposits received	230	-	-	-
	<u>15,192</u>	<u>2,546</u>	<u>402</u>	<u>685</u>

Included in other payables is an amount of RM6.913 million (2023: Nil) arising from fair value loss on financial guarantee due to the decision to novate a contract during the financial year which led to forfeiture of security deposits paid as disclosed in Note 10 (a)(ii) to the financial statements and performance guarantee as disclosed in Note 11 (b) to the financial statements subsequent to the financial year end.

19. Revenue

Revenue recognised from contracts with customers is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Hook-up, commissioning and maintenance	104,721	130,155	-	-
Transportation and installation	26,552	-	-	-
Provision of yard facilities	1,455	-	-	-
Trading	1,147	3,272	-	-
Chartering income	-	2,890	-	-
	<u>133,875</u>	<u>136,317</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

19. Revenue (Continued)

Revenue from other sources is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Management fees	-	-	9,266	8,455
Geographical market				
Malaysia	107,323	136,317	9,266	8,455
Brunei Darussalam	26,552	-	-	-
	<u>133,875</u>	<u>136,317</u>	<u>9,266</u>	<u>8,455</u>
Timing of revenue recognition				
Over time	132,728	133,045	9,266	8,455
At a point in time	1,147	3,272	-	-
	<u>133,875</u>	<u>136,317</u>	<u>9,266</u>	<u>8,455</u>

20. Profit/(Loss) Before Taxation

Profit/(Loss) before taxation is derived after charging/(crediting):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
- statutory audit				
- HLB Ler Lum Chew PLT	216	192	115	90
- other auditors				
- current year	23	5	-	-
- under provision in prior year	*	-	-	-
- non-statutory audit				
- HLB Ler Lum Chew PLT	25	85	25	85
Impairment loss on non-current asset held for sale	16,116	8,015	-	-
Depreciation of property, plant and equipment	681	1,004	15	9
Depreciation of right-of-use assets:				
- cost of sales	310	339	-	-
- administrative expenses	450	3,500	374	271

NOTES TO THE FINANCIAL STATEMENTS

20. Profit/(Loss) Before Taxation (Continued)

Profit/(Loss) before taxation is derived after charging/(crediting): (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Rental income	(34)	(31)	-	-
Gain on disposal of property, plant and equipment	-	(134)	-	(134)
Short term leases of:				
- equipment and machinery	5	3	-	-
- premises	135	160	-	-
	<u>135</u>	<u>160</u>	<u>-</u>	<u>-</u>

21. Key Management Personnel Compensation

The key management personnel of the Group and of the Company comprise the Board of Directors and certain members of senior management team.

The remuneration of key management personnel during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors				
Executive Directors:				
- salary and other emoluments	4,948	4,720	2,744	2,532
- defined contribution plan	594	559	329	297
- other benefit	6	6	2	2
	<u>5,548</u>	<u>5,285</u>	<u>3,075</u>	<u>2,831</u>
Non-Executive Directors:				
- fees	772	746	532	506
- allowances	41	83	41	83
	<u>813</u>	<u>829</u>	<u>573</u>	<u>589</u>
	<u>6,361</u>	<u>6,114</u>	<u>3,648</u>	<u>3,420</u>
Other key management personnel				
- salary and other emoluments	2,126	2,018	1,298	1,236
- defined contribution plan	252	239	154	146
	<u>2,378</u>	<u>2,257</u>	<u>1,452</u>	<u>1,382</u>

NOTES TO THE FINANCIAL STATEMENTS

22. Taxation

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current taxation:				
- current year	-	2,968	-	-
- (over)/under provision in prior year	(837)	3,351	-	(48)
	(837)	6,319	-	(48)
Deferred taxation: (Note 16)				
- origination and reversal of temporary differences	(845)	(784)	-	-
- under/(over) provision in prior year	39	(449)	-	-
	(806)	(1,233)	-	-
Taxation for the financial year	<u>(1,643)</u>	<u>5,086</u>	<u>-</u>	<u>(48)</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit/(loss) for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before taxation	<u>42,710</u>	<u>1,083</u>	<u>(1,276)</u>	<u>(1,023)</u>
Taxation at statutory tax rate of 24% (2023: 24%)	10,250	260	(306)	(246)
Non-deductible expenses	1,858	1,366	374	571
Non-taxable income	(17,711)	(1,982)	(98)	(302)
Effect of different tax rates in subsidiaries	4,627	2,572	-	-
Change in unrecognised temporary differences	131	(32)	30	(23)
(Over)/Under provision of current taxation in prior year	(837)	3,351	-	(48)
Under/(Over) provision of deferred taxation in prior year	39	(449)	-	-
Taxation for the financial year	<u>(1,643)</u>	<u>5,086</u>	<u>-</u>	<u>(48)</u>

NOTES TO THE FINANCIAL STATEMENTS

23. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the consolidated profit/(loss) attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
	RM'000	RM'000
Profit/(Loss) for the financial year attributable to the owners of the Company	42,797	(3,998)
Weighted average number of ordinary shares issued (unit'000)	1,002,943	1,002,943
Basic earnings/(loss) per share (sen)	4.27	(0.40)

(b) Diluted earnings/(loss) per share

There is no diluted earnings/(loss) per share as the Company does not have any dilutive potential ordinary shares at the financial year end.

24. Cash Flow Information

Reconciliation of liabilities arising from financing activities:

	Term loan	Lease liabilities	Total
	RM'000	RM'000	RM'000
Group			
At 1.7.2023	51,743	1,095	52,838
<u>Cash flows</u>			
Repayment of principal	-	(756)	(756)
Repayment of interest	(3,186)	(54)	(3,240)
	(3,186)	(810)	(3,996)
<u>Non-cash changes</u>			
Finance charges recognised in profit or loss	2,756	54	2,810
Addition of right-of-use-asset	-	606	606
Foreign exchange movements	602	(1)	601
	3,358	659	4,017
At 30.6.2024	51,915	944	52,859

NOTES TO THE FINANCIAL STATEMENTS

24. Cash Flow Information (Continued)

Reconciliation of liabilities arising from financing activities: (continued)

	Term loan RM'000	Lease liabilities RM'000	Total RM'000
Group			
At 1.7.2022	48,892	3,910	52,802
<u>Cash flows</u>			
Repayment of principal	-	(1,331)	(1,331)
Repayment of interest	(2,473)	(110)	(2,583)
	(2,473)	(1,441)	(3,914)
<u>Non-cash changes</u>			
Finance charges recognised in profit or loss	2,473	110	2,583
Addition of right-of-use-asset	-	1,152	1,152
Derecognition of lease liabilities	-	(2,636)	(2,636)
Foreign exchange movements	2,851	-	2,851
	5,324	(1,374)	3,950
At 30.6.2023	<u>51,743</u>	<u>1,095</u>	<u>52,838</u>

Lease liabilities	
2024	2023
RM'000	RM'000

Company		
At beginning of the financial year	868	-
<u>Cash flows</u>		
Repayment of principal	(369)	(256)
Repayment of interest	(34)	(35)
	(403)	(291)
<u>Non-cash changes</u>		
Finance charges recognised in profit or loss	34	35
Addition of right-of-use-asset	-	1,124
	34	1,159
At end of the financial year	<u>499</u>	<u>868</u>

NOTES TO THE FINANCIAL STATEMENTS

25. Segmental Information (Continued)

(a) Business segment

The reportable segments of the Group derive their revenue primarily from the provision of hook-up, commissioning and maintenance services, transportation and installation services, chartering, yard facilities and other services related to oil and gas industry which are substantially within a single business segment.

Management has determined the operating segments based on the reports reviewed by the Group President and Chief Executive Officer. The Board of Directors considers the business from a geographical perspective.

The Group's operations by key operating companies are segmented into these main geographic segments: Malaysia, Brunei Darussalam and others. Others comprise of other operating companies in other countries that contributed less than 10% of consolidated revenue.

	Malaysia RM'000	Brunei Darussalam RM'000	Others RM'000	Total RM'000
2024				
Segment revenue				
Total revenue	126,695	26,552	-	153,247
Inter-segment elimination	(19,372)	-	-	(19,372)
External revenue	<u>107,323</u>	<u>26,552</u>	<u>-</u>	<u>133,875</u>
Non-current assets [#]	<u>3,138</u>	<u>152</u>	<u>-</u>	<u>3,290</u>
2023				
Segment revenue				
Total revenue	144,932	-	-	144,932
Inter-segment elimination	(8,615)	-	-	(8,615)
External revenue	<u>136,317</u>	<u>-</u>	<u>-</u>	<u>136,317</u>
Non-current assets [#]	<u>3,778</u>	<u>-</u>	<u>-</u>	<u>3,778</u>

[#] Non-current assets exclude financial instruments defined under MFRS 9 and deferred tax assets

NOTES TO THE FINANCIAL STATEMENTS

25. Segmental Information (Continued)

(b) Major customers

The following are the major customers individually accounting for 10% or more of the Group's revenue:

	Group	
	2024 RM'000	2023 RM'000
Customer A	28,997	32,073
Customer B	26,262	35,006
Customer C	11,832	8,937
Customer D	26,632	48,469
Customer E	26,552	-
	120,275	124,485

26. Capital Management

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The Group monitors capital using gearing ratio, which is net borrowings divided by equity attributable to owners of the Company. The Group's policy is to keep the gearing ratio within reasonable levels.

	Group	
	2024 RM'000	2023 RM'000
Borrowings	51,915	51,748
Less: Cash and cash equivalents	(54,558)	(63,687)
Net liquidity	(2,643)	(11,939)
Equity attributable to owners of the Company	25,878	(15,054)
Gearing ratio (%)	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

27. Financial Instruments

The table below provides an analysis of financial instruments and their categories:

	Group		Company	
	2024 Financial assets and liabilities at amortised cost RM'000	2023 Financial assets and liabilities at amortised cost RM'000	2024 Financial assets and liabilities at amortised cost RM'000	2023 Financial assets and liabilities at amortised cost RM'000
Financial assets				
Trade receivables	16,334	22,832	-	-
Accrued billing	19,366	22,019	-	-
Other receivables	5,934	4,348	179	153
Cash and cash equivalents	54,558	63,687	28,259	48,002
	<u>96,192</u>	<u>112,886</u>	<u>28,438</u>	<u>48,155</u>
Financial liabilities				
Trade payables	25,732	121,278	-	-
Other payables	15,192	2,546	402	685
Borrowings	51,915	51,748	-	-
Lease liabilities	944	1,095	499	868
	<u>93,783</u>	<u>176,667</u>	<u>901</u>	<u>1,553</u>

Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of receivables ageing. At reporting date, there were no significant concentrations of credit risk other than as disclosed in Note 7 to the financial statements.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial Instruments (Continued)

Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, lease liabilities and borrowings.

The Directors have prepared a cash flow forecast which considers the proceeds from timely completion of the planned disposal of KL 101, continuous support from its financier as disclosed in Note 14 to the financial statements, release of adjudicated sum and interest accrued thereon arising from an adjudication against its customer coupled with available cash and bank balances in supporting the management's assessment of liquidity risk that the Group will have sufficient resources for a period of at least 12 months from the date of this report. Significant assumptions and judgements are used in the preparation of the cash flow forecast.

The Board of Directors is of the opinion that the Group will be able to discharge its liabilities in the normal course of business over a twelve-month period from the end of the financial year.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	On demand or within one year RM'000	One to five years RM'000
2024					
Group					
Trade payables	25,732	-	25,732	25,732	-
Other payables	15,192	-	15,192	15,192	-
Borrowings	51,915	5.00	53,126	53,126	-
Lease liabilities	944	-	962	741	221
	<u>93,783</u>		<u>95,012</u>	<u>94,791</u>	<u>221</u>
Company					
Other payables	402	-	402	402	-
Lease liabilities	499	-	515	403	112
	<u>901</u>		<u>917</u>	<u>805</u>	<u>112</u>

NOTES TO THE FINANCIAL STATEMENTS

27. Financial Instruments (Continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments: (continued)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	On demand or within one year RM'000	One to five years RM'000
2023					
Group					
Trade payables	121,278	-	121,278	121,278	-
Other payables	2,546	-	2,546	2,546	-
Borrowings	51,748	5.00 - 8.35	53,886	53,886	-
Lease liabilities	1,095	-	1,489	572	917
	<u>176,667</u>		<u>179,199</u>	<u>178,282</u>	<u>917</u>
Company					
Other payables	685	-	685	685	-
Lease liabilities	868	-	1,254	403	851
	<u>1,553</u>		<u>1,939</u>	<u>1,088</u>	<u>851</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies give rise to this risk is primarily United States Dollar ("USD"), Saudi Riyal ("SAR"), Brunei Dollar ("BND"), Singapore Dollar ("SGD") and Euro ("EUR"). Foreign currencies risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial Instruments (Continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

(a) Foreign currency exchange risk (continued)

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

	USD RM'000	SAR RM'000	BND RM'000	SGD RM'000	EUR RM'000	Total RM'000
2024						
Trade receivables	980	-	-	-	-	980
Other receivables	2,081	-	7	-	-	2,088
Cash and cash equivalents	15,376	-	327	-	-	15,703
Trade payables	(261)	-	(61)	(433)	(2,949)	(3,704)
Other payables	(7,165)	(27)	(121)	-	-	(7,313)
Borrowings	(51,915)	-	-	-	-	(51,915)
	<u>(40,904)</u>	<u>(27)</u>	<u>152</u>	<u>(433)</u>	<u>(2,949)</u>	<u>(44,161)</u>
2023						
Cash and bank balances	811	1,244	-	-	-	2,055
Other payables	(663)	(27)	-	-	-	(690)
Borrowings	(51,743)	-	-	-	-	(51,743)
	<u>(51,595)</u>	<u>1,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,378)</u>

The following shows the sensitivity of the Group's equity and profit net of tax to a reasonably possible change in the USD, SAR, BND, SGD and EUR exchange rates against the functional currency of the Group, with all other variables remain constant.

	Group Profit net of tax	
	2024 RM'000	2023 RM'000
USD/RM - strengthened 1%	(311)	(392)
- weakened 1%	311	392
SAR/RM - strengthened 1%	*	9
- weakened 1%	*	(9)
BND/RM - strengthened 1%	1	-
- weakened 1%	(1)	-
SGD/RM - strengthened 1%	(3)	-
- weakened 1%	3	-
EUR/RM - strengthened 1%	(22)	-
- weakened 1%	22	-

* - Denotes less than RM500

NOTES TO THE FINANCIAL STATEMENTS

27. Financial Instruments (Continued)

Financial risk management objectives and policies (continued)

(b) Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's fixed deposits placed with licensed banks and borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Fixed deposits placed with licensed banks	10,532	3,941	-	-
Borrowings	(51,915)	(51,743)	-	-
	<u>(41,383)</u>	<u>(47,802)</u>	<u>-</u>	<u>-</u>

Since the Group's and the Company's fixed rate financial assets and liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's and the Company's profit or loss.

Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The aggregate fair value of other financial assets and liabilities carried on the statements of financial position approximates its carrying value and the Company does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled. Therefore, the fair value hierarchy is not presented.

NOTES TO THE FINANCIAL STATEMENTS

28. Significant Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Board of Directors and certain members of senior management team.

The significant related party transactions of the Group and of the Company, other than key management personnel compensation are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Company in which certain Directors have substantial financial interests				
Rental of premises paid/payable	-	(780)	-	-
Rental of yard paid/payable	(114)	(98)	-	-
Donations	(270)	(240)	-	-
Legal fees	-	(444)	-	(444)
Subsidiary				
Management fee received/receivable	-	-	9,266	8,455
Substantial shareholders of the Company				
Chartering income received/receivable	-	2,890	-	-
Provision for yard facilities received/receivable	1,200	-	-	-
Rental of premises paid/payable	(36)	(36)	-	-
Purchase of project materials and subcontractor cost	<u>(35,518)</u>	<u>(26,958)</u>	<u>-</u>	<u>-</u>

The remuneration of Directors and other member of key management during the financial year is disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

29. Material Litigation

- (a) On 29 April 2019, PRPC Utilities And Facilities Sdn Bhd (“PRPC”) had issued a letter to PBJV Group Sdn. Bhd.(“PBJV”), a wholly owned subsidiary of the Company demanding for payment of RM141.16 million, being the purported additional costs incurred by PRPC and allegedly liable to be paid by PBJV under a contract referred to as Contract No. PC14-CON-K-0001-0701 Utilities, Interconnecting, Offsite (UIO) Facilities Procurement, Construction & Commissioning (PCC) of Underground Pressurized Non Metallic Piping Firewater Network East Side (“P14 Contract”).

Upon receipt of PRPC’s Claim, the management had made a provision of RM70.223 million for the purposes of the Proposed 2019 Regularisation Plan Scheme which was subsequently withdrawn due to suspension of PETRONAS license on 8 July 2019.

On 12 September 2019, PBJV has, through its firm of advocates and solicitors, Messrs. Ram Reza & Muhammad, commenced a legal proceeding by filing a Writ of Summons in the Kuala Lumpur High Court in claiming for RM42.7 million against PRPC. Macfeam Sdn. Bhd. (the P14 Contract joint venture partners) has also been named as the Second Plaintiff in the said legal action.

PRPC has filed a Writ of Summons dated 7 February 2020 against the Company and Pegasus Diversified Berhad as respective guarantor for PBJV and Macfeam Sdn Bhd in claiming for RM85.2 million due to a purported breach of contract of the P14 Contract. The Company and Pegasus Diversified Berhad has filed a counterclaim in the amount of RM42.7 million. On 28 December 2020, the Court has struck off PRPC’s summons with liberty to file afresh. No further action taken by parties to date.

Due to an alleged counter-claim of RM85.2 million by PRPC against the Company, PRPC based on the arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL Rules), on 3 August 2021 filed the request to the Permanent Court of Arbitration, The Hague, proposing Asian International Arbitration Center (AIAC) to be designated as the arbitration authority for the case.

On 28 July 2022, PBJV has, through its firm of advocates and solicitors, Messrs Dinesh Praveen Nair, filed Defence and Counter-claim and discontinued the winding up and adjudication proceeding. On 23 September 2022, PRPC filed the Reply and Defence to Counter-claim, and PBJV to Reply to Defence to Counter-claim by 21 October 2022.

The evidential hearing of the arbitration proceedings commenced on 1 June 2023 and is still ongoing as of date of this report. Further dates have been allocated for the continued evidential hearing from 2 to 13 December 2024.

Following the evidential hearing held during the current financial year, the management reassessed the adequacy of the provision for material litigation based on the evidence presented, expert report by both parties and legal advice from external solicitors. The management concluded that the claims by PRPC is not substantiated and the Group stands a good opportunity to dismiss the claims. Consequently, the Group reversed the provision of RM70.223 million during the current financial year as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

29. Material Litigation (Continued)

- (b) On 2 October 2019, PBJV has through its firm of Advocates and Solicitors, Messrs Dinesh Praveen Nair, served a Notice of Demand to Petronas Gas Berhad (“PGB”) for a sum of approximately RM179.8 million for the Procurement, Construction and Commissioning (PCC) of Pengerang Gas Pipeline Project (formerly known as Procurement, Construction and Commissioning of RGT2 Pipeline Project (“the Project”).

On 28 November 2019, PBJV served a Notice of Arbitration to PGB to claim for a sum of RM179.8 million. The Asian International Arbitration Centre (AIAC) has appointed the Arbitrators for the proceeding. On 12 May 2020 both PBJV and PGB paid the Arbitration Advance Deposit and the first Arbitral Tribunal was held on 16 April 2021 with Parties agreed to make relevant payments to AIAC and the Arbitrators as per milestones determined by the Arbitral Tribunal. PBJV has filed Points of Claim while PGB has filed Defence and Counterclaim. PBJV is to file reply to Defence and Defence of Counterclaim by 9 November 2021.

On 17 November 2021, PGB filed the application for Jurisdictional Review to dismiss the arbitration. PBJV then filed the reply to the application on 20 December 2021.

On 27 December 2021, PGB filed an application for Security for Cost, to which PBJV then filed a reply on 29 December 2021. On 13 January 2022, PGB filed the Affidavit in Reply (for Security for Cost).

The hearing for the applications was held on 28 July 2022 for Jurisdictional Challenge and Security for Costs and PGB’s applications (Jurisdictional Challenge and Security for Costs) had been dismissed on 2 September 2022.

The hearing on 7 November 2022 held that all the issues raised in PBJV’s claim i.e. the Extensions of Time Claim, Change Notices Claim and the Suspension Claim are to proceed as a whole and not to be taken in isolation from the issue of global settlement agreement. Trial dates were fixed on 5 December 2022 and 6 to 8 December 2022.

As of date of this report, the arbitration proceeding is ongoing and further trial dates have been allocated from 18 till 21 November 2024.

NOTES TO THE FINANCIAL STATEMENTS

29. Material Litigation (Continued)

- (c) On 3 November 2020, PBJV has been served with a Notice of Arbitration from Petrofac (Malaysia-PM304) Limited (“Petrofac”) for the alleged anchor dropping incident caused by PBJV’s appointed subcontractor namely Asian Kaliber Sdn Bhd (the charterer for marine vessel Armada Firman) and Bumi Armada Navigation Sdn Bhd (vessel’s owner for Armada Firman) while executing the subcontracting work for the supply of Accommodation Work Barge (AWB) for Petrofac on 6 November 2014. The amount of the claim of USD1.19 million was for the Insurance’s deductible/excess and other costs, which are as follows:
- (i) Deductible/Excess sum of Petrofac’s Insurance Policy in the sum of USD1.0 million; and
 - (ii) Additional 7% Premium in the sum of USD0.19 million.

On 3 December 2020, PBJV replied the Notice of Arbitration and disputed the liability to pay the sum of USD1.19 million. AIAC had written to Petrofac’s solicitors requesting Petrofac to fully pay for the provisional advance deposit in order to commence the arbitral proceeding, failing which the Director of AIAC may exercise its discretion to strike out the claim for non-compliance with the rules. Petrofac paid the deposits for both parties and arbitrators been appointed.

The evidential hearing commenced on 7 August 2023 and concluded on 23 August 2023. Subsequently, the Post-Trial Hearing was conducted on 6 February 2024; however, no decision date was fixed at the time. On 14 May 2024, the Arbitral Tribunal submitted the draft final award to the Asian International Arbitration Center (AIAC) for approval. The Parties are still awaiting further information from the Tribunal as to the date of for decision and delivery of the award.

- (d) In relation to Petrofac’s claims as disclosed in Note 29(c) to the financial statements, PBJV has, on 3 November 2020, served a Writ and Statement of Claim on Asian Kaliber Sdn Bhd (“Asian Kaliber”) and Bumi Armada Navigation Sdn Bhd (“Bumi Armada”) under Kuala Lumpur High Court for a sum of USD1.19 million.

Asian Kaliber and Bumi Armada are PBJV’s subcontractor respectively under the Contract’s works (via a Letter of Award dated 4 April 2014, and Charter Party Agreement dated 22 April 2014) and owners of vessel Armada Firman.

The basis of PBJV’s Writ Action against Asian Kaliber and Bumi Armada, is as follows:

- (i) the incident occurred due to Asian Kaliber and Bumi Armada’s negligence and incompetence as owners and handlers of Armada Firman; and
- (ii) therefore, Asian Kaliber and Bumi Armada are to indemnify PBJV from Petrofac’s claims for the said claim of USD1.19 million and/or any other claims by Petrofac related to the same.

On 24 October 2023, the High Court had dismissed the claim with costs of RM50,000 each to both Defendants. The Group had on 21 November 2023 filed its Notice of Appeal with the case management fixed on 19 February 2024. Next case management is fixed on 22 October 2024 and the Court has scheduled a tentative date for Hearing on 5 November 2024.

NOTES TO THE FINANCIAL STATEMENTS

29. Material Litigation (Continued)

- (e) On 6 September 2021, an Adjudication Claim had been served against Enquest Petroleum Production Malaysia Ltd (“ENQUEST”) for the total sum of RM73.57 million.

On 29 December 2021, the Adjudicator has determined and delivered his Decision in favour of PBJV which the breakdown are as follows:-

- (i) ENQUEST shall pay to PBJV the sum of RM 71,567,429.55; and
- (ii) The adjudicated sum shall be paid on or before 28 January 2022;
- (iii) Interest at a rate of 5% per annum on the Adjudicated Sum calculated from the Due Date until full payment; and
- (iv) Costs of the adjudication proceedings of RM154,995.69

ENQUEST filed Originating Summons for Setting Aside, Notice of Application for Stay Pending Setting Aside (“Setting Aside Application and Notice of Application for Stay Pending Arbitration (“Stay Application”). On the other hand, PBJV filed Originating Summons (“OS”) for Enforcement Application of Adjudication Decision. On 5 July 2022, the High Court allowed PBJV’s Enforcement Application and dismissed ENQUEST’s Setting Aside Application with costs. After a lapse of close to 2 years, the High Court subsequently dismissed the Stay Application on 18 December 2023 with costs.

Arising thereon, ENQUEST has filed an Appeal at Court of Appeal (“Appeal 2162”) and filed in the Notice of Application for Stay of Execution with Pending Disposal of Appeal (“Stay Appeal”). On 11 January 2024, ENQUEST’s application was allowed with Partial Stay/Conditional Stay subject to Adjudicated Sum (together with interest thereon) being placed in an interest-bearing stakeholder’s account held by Director of AIAC within 5 working days from date of the Order. On 16 January 2024, pursuant to the High Court’s Order, ENQUEST deposited the Adjudicated Sum and interest accruing thereon amounting to RM78.817 million into an interest-bearing account under the AIAC.

PBJV subsequently filed a motion in the Court of Appeal to strike out ENQUEST’s Stay Appeal (“Striking Out Motion”). On 20 August 2024, the Court of Appeal allowed the Striking Out Motion by PBJV and ordered as follows:

- that the Stay Appeal is struck out;
- that the High Court’s decision in allowing Kosma Stay Application be set aside; and
- that the Director of the AIAC to release the sum of RM78.817 million (plus interest thereon) to PBJV.

The sum of RM78.817 million (plus interest thereon) being the Adjudicated Sum which had been held by the AIAC, was released to PBJV’s solicitors on 29 August 2024.

On 23 August 2024, ENQUEST filed another Motion for Leave to Appeal (“Leave Motion”) at Federal Court against the decision of the Court of Appeal in favour of PBJV in respect of Striking Out Motion. The hearing of the Leave Motion is scheduled on 4 November 2024.

NOTES TO THE FINANCIAL STATEMENTS

30. Significant Events

- (a) On 21 May 2019, the Company announced that the Company had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(f) of Practice Note 17 (“PN17”) of the Listing Requirements of Bursa Securities as the Company’s indirect wholly-owned subsidiary, Kota Laksamana101 Ltd had received a notice of demand on 17 May 2019 from EXIM Bank due to breach of terms in its facility agreement for failing to make instalment payments pursuant to Paragraph 9.19A of the Listing Requirements and the Company is unable to provide a solvency declaration to Bursa Malaysia Securities Berhad (“Bursa Securities”) In accordance with PN17, the Company is required to submit a regularisation plan within twelve (12) months to Bursa Securities.

On 14 November 2022, the Company had submitted the regularisation plan to Bursa Securities. A revised regularisation plan was announced on 20 February 2023 which entails the following:

- (i) a proposed capital reduction of RM238.00 million pursuant to Section 116 of the Companies Act 2016 (“the Act”);
- (ii) a proposed shares consolidation of existing 10 Barakah Shares into 1 consolidated Barakah Share;
- (iii) a proposed shares issuance of 5.00 million Barakah Shares (“Subscription Shares”) to the Subscriber at a Subscription Price of RM0.20 per Subscription Share to raise gross proceeds of up to approximately RM1.00 million;
- (iv) a proposed renounceable rights issue on the basis of 4 Rights Shares for every 1 existing Barakah Share held by the Entitled Shareholders at the Rights Issue Price of RM0.10 for each Rights Share, together with free detachable Warrants (“Warrants”) on the basis of 1 Warrant for every 2 Rights Shares subscribed for at the Warrant Exercise Price of RM0.20 each, on an Entitlement Date to be determined at a later date
- (v) a proposed ESOS 2013/2023 termination; and
- (vi) a proposed employees’ shares scheme (“ESS”) of up to 15% of the issued share capital of Barakah (excluding treasury shares, if any) at any point in time during the duration of the scheme, for the eligible Directors and employees of the Group.

On 30 October 2023, the Company had withdrawn the revised regularisation plan submitted to Bursa Securities following the auditors’ opinion on the audit of the financial statements for the financial year ended 30 June 2023. During the financial year ended 30 June 2024, the Company had submitted multiple Extension of Time (“EOT”) applications to Bursa Securities for the submission of a revised regularisation plan.

Bursa Securities had vide its letter dated 4 July 2024 approved the extension of time up to 31 October 2024 for the Company to submit its regularisation plan to the regulatory authorities.

As of date of this report, the Company is in the process of formulating its new regularisation plan.

NOTES TO THE FINANCIAL STATEMENTS

30. Significant Events (Continued)

(b) On 14 September 2023, PBJV had finalised its global settlement agreement with Saraworks Sdn Bhd (formerly known as Samling Resources Sdn. Bhd.) for the judgement sum of RM20.910 million (“Principal Sum”) and accrued interest of RM1.441 million (“Accrued Interest”) at a settlement sum of RM18.000 million payable in the following manner:

- Initial payment of RM5.00 million before 15 September 2023;
- Balance settlement sum of RM13.00 million to be paid in 13 equal monthly instalments of RM1.00 million, with such instalment payable on the first week of every month commencing from October 2023; and
- In default of any instalments above, the entire Principal Sum and Accrued Interest together with the continuing Judgement Interest on the Principal Sum, less such payments as shall have been made, shall become immediately due and payable and/or enforceable.

The Group had recognised a waiver of debt of RM4.297 million arising from the global settlement as disclosed in Note 20 to the financial statements, being the differential sum between settlement sum and provision made for material litigations in prior years.

31. Financial Guarantees

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank guarantees issued in favour of customers	3,303	2,497	-	-
Corporate guarantees given to licensed bank for credit facilities granted to subsidiaries	-	-	51,915	51,743

32. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated 23 October 2024.

LIST OF PROPERTIES

No.	Name of registered owner	Approximate age of building/ Tenure/ Date of expiry of leasehold interest	The identification/ Postal address	Description and existing use	Land area/ Built up area	Restriction in Interest/ Encumbrances	Audited net book value as at 30.06.2024
1.	PBJV Group Sdn Bhd	Leasehold, 99 years, expiring on 12.07.2098*	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	RM678,000
2.	PBJV Group Sdn Bhd	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- LCLS005-005-01244) 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 for industrial, office store cum watchmen's quarters where the ground floor to be used for industrial and the first floor to be used for 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	RM767,000

GROUP CORPORATE DIRECTORY

Head Office

BARAKAH OFFSHORE PETROLEUM BERHAD AND ITS SUBSIDIARIES



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LIST OF TOP 30 SHAREHOLDINGS AS AT 8 OCTOBER 2024

NO	NAME	HOLDINGS	%
1	NIK HAMDAN BIN DAUD	94,127,800	9.385
2	DAKOTA INTEGRATED SERVICES SDN BHD	63,678,857	6.349
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK HAMDAN BIN DAUD	44,364,637	4.423
4	EUREKA EFEKTIF SDN BHD	38,431,400	3.832
5	MAGNADRIVE SDN BHD	32,461,200	3.237
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NIK HAMDAN BIN DAUD (PB)	31,400,000	3.131
7	AZMAN SHAH BIN MOHD ZAKARIA	20,611,624	2.055
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PHUA SIN MO	18,000,000	1.795
9	MUHAMMAD YUSRI BIN ABDUL RASHID	17,435,000	1.738
10	MOHD TERMIZI BIN MAMAT @ MUHAMAD	16,873,400	1.682
11	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR SIEW JUN KIT	11,827,100	1.179
12	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD TERMIZI BIN MAMAT@ MUHAMAD	11,438,000	1.140
13	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUA SIN MO	10,306,200	1.028
14	CHAI LOONG SEONG	9,638,800	0.961
15	CAPITAL 11 SDN BHD	7,500,000	0.748
16	FEROZ BIN A S MOIDUNNY	7,500,000	0.748
17	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR MOHD HISHAM BIN HAJA NAJMUDDEN	7,000,000	0.698
18	SIM SOO KIANG	6,976,000	0.696
19	TEY JIIN CHYUAN	6,400,000	0.638
20	ANURADHA A/P P.S.JANARDHANAN	6,021,200	0.600
21	FARAH HARYANI BINTI MUHAMMAD PHILIP	6,000,000	0.598
22	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD THAM SOON WANG (T-161156)	5,420,000	0.540
23	TAN TONG CHEW	5,340,000	0.532
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIN TIONG YUAN (7003364)	5,250,000	0.523
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	5,120,000	0.510
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD TERMIZI BIN MAMAT @ MUHAMAD	5,000,000	0.499
27	NIK FAIZAL BIN NIK FAUZI	5,000,000	0.499
28	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL	5,000,000	0.499
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD HAMIRON BIN MOHD NAWI	4,600,000	0.459
30	MOHD NAJIB BIN ABDUL RAHMAN	4,590,000	0.458

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth (12th) Annual General Meeting of Barakah Offshore Petroleum Berhad (“Barakah” or “the Company”) will be conducted on a virtual basis through live streaming from Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan (“**Broadcast Venue**”) using the Remote Participation and Voting Facilities (“**RPV**”) provided by Agmo Digital Solutions Sdn Bhd via its Vote2U Online at <https://web.vote2u.my> on Thursday, 28 November 2024 at 2.30 p.m. to transact the following businesses:

AGENDA

As Ordinary Business

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Directors’ and Auditors’ Reports thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect the following Directors who retire pursuant to Rule 116 of the Company’s Constitution:-

(i) Azaman bin Sharif
(ii) Khairiah Binti Hj Othman |

Ordinary Resolution 1
Ordinary Resolution 2 |
| 3. | To re-elect the following Directors who retire by rotation pursuant to Rule 131 of the Company’s Constitution:

(i) YBhg. Dato’ Sri Azman Shah bin Mohd Zakaria
(ii) YBhg. Dato’ Rasdee bin Abdullah |

Ordinary Resolution 3
Ordinary Resolution 4 |
| 4. | To approve the payment of Directors’ fees of RM58,600.00 per month for the Non-Executive Directors, from 29 November 2024 until the next Annual General Meeting of the Company. | Ordinary Resolution 5
(Please refer to Explanatory Note 2) |
| 5. | To approve the payment of Directors’ benefits of up to RM240,000.00 for the Directors, from 29 November 2024 until the next Annual General Meeting of the Company. | Ordinary Resolution 6 (Please refer to Explanatory Note 2) |
| 6. | To re-appoint Messrs. HLB Ler Lum Chew PLT 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 Ordinary Resolutions, with or without modifications:-

- | | | |
|----|---|---|
| 7. | AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 8 (Please refer to Explanatory Note 3) |
|----|---|---|

“THAT, subject always to the Sections 75 and 76 of the Companies Act 2016 (“the Act”), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

NOTICE OF ANNUAL GENERAL MEETING

THAT pursuant to Section 85 of the Act read together with Rule 76.1 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Act; AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

WONG MEE KIAT (MAICSA 7058813) (SSM PC No. 202008001958)

LIM LI HEONG (MAICSA 7054716) (SSM PC No. 202008001981)

Company Secretaries

Kuala Lumpur

Date: 25 October 2024

Notes:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. Members **WILL NOT BE ALLOWED** to attend the Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the meeting.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the AGM via the Remote Participation and Voting facilities ("RPV") provided by Agmo Digital Solutions Sdn. Bhd. via its Vote2U Online at <https://web.vote2u.my>. Please follow the Procedures for RPV in the Administrative Guide for the AGM.

2. 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 there shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) proxies to attend at the same meeting, the member shall specify the proportion of the member's 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, the said nominee shall specify the proportion of its 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 the appointor's 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.

NOTICE OF ANNUAL GENERAL MEETING

5. The appointment of a proxy may be made by electronic or in a hard copy form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:-
 - a) In hard copy
In the case of an appointment made in hard copy form, the form of proxy must be deposited with the Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan; or
 - b) By electronic form
The Form of Proxy can be electronically lodged with the Poll Administrator of the Company via Vote2U Online at <https://web.vote2u.my>. Kindly refer to the Administrative Details for the AGM on the procedures for electronic lodgement of Form of Proxy.
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 22 November 2024 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. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.
8. 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 any 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 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.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) 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 Resolutions 5 and 6 Payment of Directors' fees and benefits

Pursuant to Section 230(1) of the Act, the fees and benefits ("Remuneration") payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of Remuneration to the Directors for the period commencing from 29 November 2024 up till the next Annual General Meeting of the Company in year 2025. The Remuneration comprises fees, meeting allowances and benefits-in-kind payable to the Directors of the Company.

3. Ordinary Resolution 8 Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to Sections 75 and 76 of the Act at the Twelfth Annual General Meeting ("AGM") of the Company.

The Company had been granted a general mandate by its shareholders at the Eleventh AGM of the Company on 6 December 2023 ("Previous Mandate"). The previous mandate granted by the shareholders had not been utilized and hence, no proceed was raised therefrom.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Rule 76.1 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and Rule 76.1 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the best interest of the Company.

The general mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of persons who are standing for re-election as Directors

The Directors standing for re-election pursuant to Rule 116 of the Company's Constitution at the Twelfth Annual General Meeting are Azaman bin Sharif and Khairiah Binti Hj Othman. Their profiles are stated on pages 17 to 18 of the 2024 Annual Report.

2. Details of persons who are standing for re-election as Directors

The Directors standing for re-election pursuant to Rule 131 of the Company's Constitution at the Twelfth Annual General Meeting are YBhg. Dato' Sri Azman Shah bin Mohd Zakaria and YBhg. Dato' Rasdee bin Abdullah. Their profiles are stated on pages 15 to 16 of the 2024 Annual Report.

3. Statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 3 of the Notice of Twelfth Annual General Meeting.

PROXY FORM



BARAKAH OFFSHORE PETROLEUM BERHAD

Registration No.: 201201007022 (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 _____

IC No./ID No. _____ of _____

with email address of _____

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

of _____

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 Twelfth (12th) Annual General Meeting of the Company to be conducted on a virtual basis through live streaming from Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan ("**Broadcast Venue**") using the Remote Participation and Voting facilities ("**RPV**") provided by Agmo Digital Solutions Sdn Bhd via its Vote2U Online at <https://web.vote2u.my> on Thursday, 28 November 2024 at 2.30 p.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

Resolutions			
	Ordinary Business	For	Against
Ordinary Resolution 1	Re-election of Azaman bin Sharif as Director who retires pursuant to Rule 116 of the Company's Constitution		
Ordinary Resolution 2	Re-election of Khairiah Binti Hj Othman as Director who retires pursuant to Rule 116 of the Company's Constitution		
Ordinary Resolution 3	Re-election of YBhg. Dato' Sri Azman Shah bin Mohd Zakaria as Director who retire by rotation pursuant to Rule 131 of the Company's Constitution		
Ordinary Resolution 4	Re-election of YBhg. Dato' Rasdee bin Abdullah as Director who retire by rotation pursuant to Rule 131 of the Company's Constitution		
Ordinary Resolution 5	Approval of the payment of Directors' fees of RM58,600.00 per month for the Non-Executive Directors, from 29 November 2024 until the next Annual General Meeting of the Company		
Ordinary Resolution 6	Approval of the payment of Directors' benefits of up to RM240,000.00 for the Directors, from 29 November 2024 until the next Annual General Meeting of the Company		
Ordinary Resolution 7	Re-appointment of Messrs. HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business		
Ordinary Resolution 8	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

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

Signature/Common Seal

Date: _____

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

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

NOTES:

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4. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of the appointor's 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.
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AFFIX
STAMP

The Share Registrar of

BARAKAH OFFSHORE PETROLEUM BERHAD

Registration No.: 201201007022 (980542-H)

C/O Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

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BARAKAH OFFSHORE PETROLEUM BERHAD
201201007022 (980542-H)

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