

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this Circular, valuation certificate and report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

You should rely on your own evaluation to assess the merits and risks of the Proposed Disposal (as defined herein).



**BARAKAH OFFSHORE PETROLEUM BERHAD**

Registration No.: 201201007022 (980542-H)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED DISPOSAL OF KOTA LAKSAMANA 101 BARGE FOR  
A MINIMUM CASH CONSIDERATION OF USD11.40 MILLION TO  
A THIRD-PARTY PURCHASER TO BE IDENTIFIED LATER  
("PROPOSED DISPOSAL")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**MALACCA SECURITIES SDN. BHD.**

Registration No: 197301002760 (16121-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“**EGM**”) of Barakah Offshore Petroleum Berhad (“**Barakah**” or “**Company**”) will be conducted on a fully virtual basis through live streaming from the broadcast venue at Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Monday, 25 March 2024 at 2.30 p.m., or at any adjournment thereof, via the Remote Participation and Electronic Voting Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U Online at <https://web.vote2u.my>. The Notice of EGM together with the Form of Proxy are enclosed herewith in this Circular.

A member entitled to attend, participate, speak and vote remotely at the EGM and is entitled to appoint up to 2 proxies to attend, participate, speak and vote remotely on his/her behalf. If you are unable to attend, participate and vote in the virtual EGM, you may complete and return the Form of Proxy in accordance with the instructions therein and deposit it at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time of holding the EGM. The lodging of the Form of Proxy shall not preclude you from attending, participating and voting in person at the EGM should you subsequently wish to do so, but if you do, your proxy or proxies shall be precluded from attending the EGM.

Last date and time for lodging the Form of Proxy : Saturday, 23 March 2024 at 2.30 p.m.

Date and time of the EGM : Monday, 25 March 2024 at 2.30 p.m. or at any adjournment thereof

This Circular is dated 8 March 2024

---

## DEFINITIONS

---

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular.

<b>Act</b>	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
<b>Auditors</b>	:	Messrs HLB Ler Lum Chew PLT, the external auditors of Barakah
<b>Barakah or the Company</b>	:	Barakah Offshore Petroleum Berhad (Registration No.: 201201007022 (980542-H))
<b>Barakah Group or the Group</b>	:	Barakah and its subsidiaries
<b>Board</b>	:	Board of Directors of Barakah
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn. Bhd. (Registration No.: 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
<b>Circular</b>	:	This circular dated 8 March 2024 in relation to the Proposed Disposal
<b>Directors</b>	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007, and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Disposal was agreed upon, a director or chief executive of Barakah, its subsidiaries or holding company
<b>EGM</b>	:	Extraordinary general meeting
<b>EPS</b>	:	Earnings per share
<b>EXIM Bank</b>	:	Export-Import Bank of Malaysia Berhad (Registration No.: 199501027992 (357198-K))
<b>FPE</b>	:	Financial period ended/ending, as the case may be
<b>FYE</b>	:	Financial year ended/ending, as the case may be
<b>KL101 Barge or the Barge</b>	:	Kota Laksamana 101, a pipe-lay barge (including the machinery and equipment on board) of the Group, being the asset to be disposed in relation to the Proposed Disposal
<b>KL101 Ltd or the Seller</b>	:	Kota Laksamana 101 Ltd (Company No. LL09077), an indirect wholly-owned subsidiary of the Company
<b>LAT</b>	:	Loss after tax
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	29 February 2024, being the latest practicable date prior to the printing of this Circular
<b>Malacca Securities or the Principal Adviser</b>	:	Malacca Securities Sdn. Bhd. (Registration No.: 197301002760 (16121- H))

---

**DEFINITIONS (CONT'D)**

---

<b>Minimum Disposal Consideration</b>	:	A minimum cash consideration of USD11.40 million in relation to the Proposed Disposal
<b>NA</b>	:	Net assets
<b>NBV</b>	:	Net book value
<b>NL</b>	:	Net liabilities
<b>PAT</b>	:	Profit after tax
<b>PBJV</b>	:	PBJV Group Sdn Bhd (Registration No.: 200001021929 (524536-A)), a wholly-owned subsidiary of the Company
<b>PBT</b>	:	Profit before tax
<b>PN17</b>	:	Practice Note 17 of the Listing Requirements
<b>Proposed Disposal</b>	:	Proposed disposal of the KL101 Barge for the Minimum Disposal Consideration to a third-party purchaser to be identified later
<b>RINA</b>	:	Registro Italiano Navale
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
<b>RMB</b>	:	Renminbi
<b>Settlement Obligation</b>	:	The agreed aggregated settlement sum of USD12,650,000 (inclusive of interest payment), which shall be paid by the Group to EXIM Bank
<b>TS Maritime or Valuer</b>	:	TS Maritime Sdn. Bhd. (Registration No.: 199601015387 (387737-K)), being the independent valuer for the KL101 Barge
<b>USD</b>	:	United States Dollar

In this Circular, any reference to “we”, “us”, “our” and “ourselves” are to the Company, and where the context otherwise requires, our subsidiaries. All references to “you” are to the shareholders of the Company. Words incorporating the singular shall, where applicable, include the plural and vice versa.

Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Unless otherwise stated, all USD/RM amounts stated in this Circular are converted at an exchange rate of USD1.00 : RM4.7525, being the middle rate as at the LPD (source: Bank Negara Malaysia).

---

**TABLE OF CONTENTS**

---

**PAGE****LETTER FROM THE BOARD TO THE SHAREHOLDERS OF BARAKAH IN RELATION TO THE PROPOSED DISPOSAL:**

<b>EXECUTIVE SUMMARY.....</b>	<b>iv</b>
<b>1. INTRODUCTION .....</b>	<b>1</b>
<b>2. PROPOSED DISPOSAL.....</b>	<b>2</b>
<b>3. UTILISATION OF PROCEEDS.....</b>	<b>6</b>
<b>4. RATIONALE FOR THE PROPOSED DISPOSAL.....</b>	<b>8</b>
<b>5. RISK FACTORS.....</b>	<b>10</b>
<b>6. EFFECTS OF THE PROPOSED DISPOSAL .....</b>	<b>11</b>
<b>7. APPROVALS REQUIRED AND INTER-CONDITIONALITY .....</b>	<b>13</b>
<b>8. PERCENTAGE RATIO .....</b>	<b>13</b>
<b>9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED.....</b>	<b>13</b>
<b>10. DIRECTORS' STATEMENT AND RECOMMENDATION.....</b>	<b>13</b>
<b>11. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION.....</b>	<b>13</b>
<b>12. TENTATIVE TIMELINE.....</b>	<b>13</b>
<b>13. EGM .....</b>	<b>14</b>
<b>14. FURTHER INFORMATION .....</b>	<b>14</b>

**APPENDICES**

<b>APPENDIX I</b>	<b>VALUATION CERTIFICATE OF THE KL101 BARGE</b>	<b>15</b>
<b>APPENDIX II</b>	<b>PROPOSED SALIENT TERMS OF THE AUCTION</b>	<b>17</b>
<b>APPENDIX III</b>	<b>FURTHER INFORMATION</b>	<b>18</b>

<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

---

## EXECUTIVE SUMMARY

---

This Executive Summary highlights only the salient information of the Proposed Disposal. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Disposal before voting at the forthcoming EGM.

<b>Key information</b>	<b>Description</b>
<b>Summary of the Proposed Disposal</b> (Section 2 of this Circular)	<p>Barakah proposes to undertake a proposed disposal of the KL101 Barge at the Minimum Disposal Consideration of USD11.40 million to a third-party purchaser to be identified later. For avoidance of doubt, the Company will not dispose the KL101 Barge to a related party. The Company is proposing to seek a mandate from its shareholders to allow the Company a 6-month timeframe from the date of approval by the shareholders at the Company's forthcoming EGM to undertake the Proposed Disposal.</p> <p>For information, the Company had previously, on 14 July 2023, entered into a commissioning agreement with an auctioneer for the auction of the KL 101 Barge. As at 13 January 2024, the commissioning agreement had lapsed. Over the last 6 months, the Company has explored alternative avenues for the disposal of the KL101 Barge. In assessing its options, the Company had decided not to renew the commissioning agreement for the time being to enable the Company flexibility to explore any potential offers or opportunities that may arise prior to obtaining shareholders' approval for the Proposed Disposal. For clarification, the Company has not previously obtained any shareholders' approval for the disposal of the KL101 Barge.</p> <p>The Company envisages that it will decide on the final mode of the disposal, i.e. through a direct disposal to a third-party, or by undertaking an auction process, after obtaining its shareholders' approval for the Proposed Disposal. The Company will consider, amongst others, the prevailing market conditions, as well as the asking prices for the KL101 Barge at the material time.</p>
<b>Basis and justification of determining the Minimum Disposal Consideration</b> (Section 2.2 of this Circular)	<p>The Minimum Disposal Consideration of USD11.40 million (equivalent to approximately RM54.18 million) was arrived at, after taking into consideration, amongst others, the following:-</p> <ul style="list-style-type: none"><li>(i) the forced sale value of USD11.40 million (equivalent to approximately RM54.18 million) based on current market conditions at the material date of valuation on a "as-is-where-is" basis, and fair value of the KL101 Barge of USD15.27 million (equivalent to approximately RM72.57 million) using the sales comparison approach and cost approach, as appraised by the Valuer via its report dated 25 September 2023;</li><li>(ii) the audited NBV of the KL101 Barge as at 30 June 2023 of RM52.59 million; and</li><li>(iii) the remaining Settlement Obligation of USD11.14 million (approximately RM52.93 million) owing to EXIM Bank due in April 2024.</li></ul>

---

**EXECUTIVE SUMMARY (CONT'D)**

---

<b>Key information</b>	<b>Description</b>												
<b>Utilisation of Proceeds</b> (Section 3 of this Circular)	<p>For illustration purpose assuming the KL101 Barge is being disposed at the Minimum Disposal Consideration, the proceeds are proposed to be utilised by the Company in the following manner:-</p> <table><thead><tr><th><b>Utilisation</b></th><th><b>Estimated timeframe for utilisation from receipt of proceeds</b></th><th><b>Amount</b> RM'000</th></tr></thead><tbody><tr><td>Repayment of the Settlement Obligation</td><td>Within 1 month</td><td>53,329</td></tr><tr><td>Estimated expenses for the Proposed Disposal</td><td>Within 3 months</td><td>850</td></tr><tr><td><b>Total</b></td><td></td><td><b>54,179</b></td></tr></tbody></table>	<b>Utilisation</b>	<b>Estimated timeframe for utilisation from receipt of proceeds</b>	<b>Amount</b> RM'000	Repayment of the Settlement Obligation	Within 1 month	53,329	Estimated expenses for the Proposed Disposal	Within 3 months	850	<b>Total</b>		<b>54,179</b>
<b>Utilisation</b>	<b>Estimated timeframe for utilisation from receipt of proceeds</b>	<b>Amount</b> RM'000											
Repayment of the Settlement Obligation	Within 1 month	53,329											
Estimated expenses for the Proposed Disposal	Within 3 months	850											
<b>Total</b>		<b>54,179</b>											
<b>Rationale for the Proposed Disposal</b> (Section 4 of this Circular)	<p>The Proposed Disposal offers an opportunity for Barakah to:</p> <ul style="list-style-type: none"><li>(i) dispose of the non-revenue generating KL101 Barge;</li><li>(ii) avoid incurring resources for scheduled maintenance, certification validity and physical or sea trials to ensure that the KL101 Barge is in compliance with the RINA classification society certification;</li><li>(iii) prevent reclassification of the KL101 Barge as a non-current asset from its current classification as a non-current asset held for sale and recommencement of depreciation expenses on the KL101 Barge that would result in additional downward pressure on the Group's earnings;</li><li>(iv) utilise for the repayment of Settlement Obligation that is expected to assist the Group in addressing the material uncertainty related to the Group's going concern, as highlighted by the Auditors for FYE 30 June 2023; and</li><li>(v) deploy its cash resources towards its existing and future contracts to help regularise the Group's operations and financial position, thereby positioning the Group to be in a better footing to re-formulate a regularisation plan.</li></ul>												
<b>Risk factors</b> (Section 5 of this Circular)	<p>The risk factors relating to the Proposed Disposal include, but are not limited to the following:-</p> <ul style="list-style-type: none"><li>(i) completion risk;</li><li>(ii) default in payment by the purchaser;</li><li>(iii) foreign exchange risk;</li><li>(iv) impairment risk; and</li><li>(v) opportunity cost.</li></ul>												

<b>Key information</b>	<b>Description</b>
<b>Effects of the Proposed Disposal</b> (Section 6 of this Circular)	<p>The effects of the Proposed Disposal are as follows:-</p> <ul style="list-style-type: none"><li>(i) the Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Disposal does not involve issuance of new ordinary shares in Barakah;</li><li>(ii) the Proposed Disposal is not expected to have a material effect on the net liabilities of the Group and the total borrowings will decrease from RM51.75 million to RM5,000 as the proceeds from the Proposed Disposal will be utilised to repay the remaining Settlement Obligation; and</li><li>(iii) based on the audited LAT as at 30 June 2023 of RM4.00 million, the Proposed Disposal will record a proforma PAT of RM7.01 million after taking into consideration, amongst others, the gain on the Proposed Disposal, estimated ancillary expenses for the Proposed Disposal, as well as savings on finance cost, maintenance cost and depreciation of the KL101 Barge.</li></ul>
<b>Approvals required and inter-conditional</b> (Section 7 of this Circular)	<p>The Proposed Disposal is subject to the following approvals being obtained:-</p> <ul style="list-style-type: none"><li>(i) the shareholders of Barakah at an EGM to be convened; and</li><li>(ii) any other relevant authority and/or party, if any.</li></ul> <p>The Proposed Disposal is not conditional upon any other corporate exercises/schemes or proposals undertaken or to be undertaken by Barakah.</p>
<b>Interests of directors, major shareholders and/or persons connected</b> (Section 9 of this Circular)	<p>None of the Directors, major shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.</p>
<b>Directors' statement and recommendation</b> (Section 10 of this Circular)	<p>The Board, having considered and deliberated on all aspects of the Proposed Disposal, including but not limited to the proposed utilisation of proceeds from the Proposed Disposal, the rationale, and the effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that shareholders vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.</p>



**BARAKAH OFFSHORE PETROLEUM BERHAD**

Registration No.: 201201007022 (980542-H)

(Incorporated in Malaysia)

**Registered Office:**

Level 5, Tower 8, Avenue 5, Horizon 2

Bangsar South City

59200 Kuala Lumpur

Wilayah Persekutuan Kuala Lumpur

Malaysia

8 March 2024

**Board of Directors:**

Datuk Mohd Zaid Bin Ibrahim (*Independent Non-Executive Chairman*)

Dato' Sri Nik Hamdan Bin Daud (*Group President & Chief Executive Officer, Non-Independent Executive Director*)

Dato' Sri Azman Shah Bin Mohd Zakaria (*Non-Independent Executive Director*)

Dato' Rasdee Bin Abdullah (*Non-Independent Executive Director*)

Tengku Ngah Putra Bin Tengku Ahmad Tajuddin (*Independent Non-Executive Director*)

Azaman Bin Sharif (*Independent Non-Executive Director*)

**To: The Shareholders of Barakah Offshore Petroleum Berhad**

Dear Sir/Madam,

**PROPOSED DISPOSAL**

---

**1. INTRODUCTION**

On 12 December 2023, Malacca Securities had on behalf of the Board, announced that Barakah proposes to undertake a proposed disposal of the KL101 Barge for a minimum cash consideration of USD11.40 million (equivalent to approximately RM54.18 million) to a third-party purchaser to be identified later.

Further details on the Proposed Disposal are set out in the ensuing sections.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF THE COMPANY WITH THE DETAILS OF THE PROPOSED DISPOSAL AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF THE EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.**

## 2. PROPOSED DISPOSAL

The Proposed Disposal entails the disposal of the KL101 Barge at the Minimum Cash Consideration of USD11.40 million (equivalent to approximately RM54.18 million) to a third-party purchaser to be identified later. For avoidance of doubt, the Company will not dispose the KL101 Barge to a related party. The Company is proposing to seek a mandate from its shareholders to allow the Company a 6-month timeframe from the date of approval by the shareholders at the Company's forthcoming EGM to undertake the Proposed Disposal.

For information, the Company had previously, on 14 July 2023, entered into a commissioning agreement with an auctioneer for the auction of the KL101 Barge. As at 13 January 2024, the commissioning agreement had lapsed. Over the last 6 months, the Company has explored alternative avenues for the disposal of the KL101 Barge. In assessing its options, the Company had decided not to renew the commissioning agreement for the time being to enable the Company flexibility to explore any potential offers or opportunities that may arise prior to obtaining shareholders' approval for the Proposed Disposal. For clarification, the Company has not previously obtained any shareholders' approval for the disposal of the KL101 Barge.

The Company envisages that it will decide on the final mode of the disposal, i.e. through a direct disposal to a third-party, or by undertaking an auction process, after obtaining its shareholders' approval for the Proposed Disposal. The Company will consider, amongst others, the prevailing market conditions, as well as the asking prices for the KL101 Barge at the material time.

Upon obtaining its shareholders' approval for the Proposed Disposal, the Company proposes to allow a period of 1 month to secure a potential buyer for the KL101 Barge through a direct disposal to a third party. Should the Company be unable to secure a buyer during the said 1 month period, the Company will proceed to re-engage with an auctioneer undertake the auction process for the disposal of the Barge. As at LPD, the Company has not engaged with any auctioneer since the expiry of the previous commissioning agreement on 13 January 2024.

The aforementioned 6-month timeframe proposed by the Company for the Proposed Disposal will provide flexibility for the Company to finalise the terms of the direct disposal with the buyer or to undertake the auction process. Barakah may undertake more than 1 auction process within the 6-month period if the first auction fails to attract a buyer. Nonetheless, the Company does not intend to reduce the Minimum Disposal Consideration of USD11.40 million as it is already at its forced sale value. Should another auction be required to be undertaken, the Company intends to seek the services of another auction house as it may provide the Company access to a different pool of buyers.

***[The remainder of this page is intentionally left blank]***

## 2.1 Information on KL101 Barge



Name of vessel	:	Kota Laksamana 101
Registered owner	:	KL101 Ltd
Type	:	Accommodation and pipelay barge for shallow and medium water
Flag	:	Malaysia
Port of register	:	Port Klang
Year of built	:	2011
Age	:	13
Builder's name	:	Grade One Marine Shipyard Sdn Bhd
Gross tonnage	:	19,760.00 tonne
Net tonnage	:	5,928.00 tonne
Full load tonnage	:	21,947.00 metric tonne
Light ship tonnage	:	11,580.00 metric tonne
Dead weight tonnage	:	10,367.00 metric tonne
Overall dimensions	:	Length overall: 137.25 metres Depth moulded: 9.00 metres Breadth moulded: 37.82 metres
Other facilities, machineries and equipment on board	:	Life-saving equipment, fire-fighting equipment, communication and navigation equipment, auxiliary equipment, pipelay system, crane, helicopter deck, mooring and tow system and storm anchor
Current use	:	Idle since September 2019
Encumbrance	:	EXIM bank loan
Year of delivery	:	2012
Original cost of investment	:	RM334.61 million <sup>(a)</sup>
Audited NBV as at 30 June 2023	:	RM52.59 million

Fair value	:	USD15.27 million (equivalent to approximately RM72.57 million)
Forced sale value	:	USD11.40 million (equivalent to approximately RM54.18 million)
Valuer	:	TS Maritime
Date of valuation	:	25 September 2023

**Note:-**

- (a) The cost of investment for the KL101 Barge incurred between September 2012\* to April 2016 is as follows:-

	<b>Cost of commissioning / construction</b>
	<u>RM'000</u>
KL101 Barge and pipelay equipment	314,943
Machinery and equipment	19,664
<b>Total</b>	<b><u>334,607</u></b>

\* Month of commission of the KL101 Barge

## 2.2 Basis and justification of determining the Minimum Disposal Consideration

The Minimum Disposal Consideration of USD11.40 million (equivalent to approximately RM54.18 million) was arrived at, after taking into consideration, amongst others, the following:-

- (i) The Valuer had opined that based on current market conditions including but not limited to current new building and commissioning prices for similar type of barge, cost of replacement and the availability of similar vessels for charter, vessel's current condition as well as the potential limitations such as limited pool of buyer and the urgency of the Seller in disposing of the KL101 Barge in a short period of time, at the material date of valuation on a "as-is-where-is" basis, the forced sale value of the KL101 Barge should be in the region of USD11.40 million (equivalent to approximately RM54.18 million).

The fair value of the KL101 Barge as appraised by the Valuer of USD15.27 million (equivalent to approximately RM72.57 million) via its report dated 25 September 2023. The Valuer had considered the sales comparison approach and cost approach in valuing the KL101 Barge.

For information, the sales comparison approach determines value by analysing recent sales and offerings of properties that are similar (i.e. comparable) to the subject property. If the comparable are not exactly like the properties being appraised, the selling prices of the comparable are adjusted to equate them to the characteristics of the subject property being appraised. The various sale transactions and offerings, with appropriate adjustments, give an indication of the fair market value of the subject asset. The sales comparison approach assumes that the informed purchaser would pay no more for a property than the cost of acquiring a comparable property with the same utility.

This approach takes into consideration a transaction in 2010 involving a vessel of similar specification, as well as 3 transactions with offered prices for vessels of similar specification from 2019 to 2023. In relation to the transaction in 2010, the Valuer considers this transaction to be relevant as it was an actual transaction that transacted in 2010 (i.e. not offered prices). The said comparable vessel also closely resembles the specifications of the KL101 Barge. In addition, the Valuer take cognisance of the limited availability of directly comparable data to provide an insightful overview of the potential market value of the KL101 Barge. As such, the Valuer had assumed a straight-line depreciation of 25 years on the said comparable vessel to derive a market value in the region of USD19.20 million as at the year 2023. Adjustments were made for factors such as size, type, lifting capacity and gear, class society and status, machinery and equipment, age, accommodation, deck area and helideck, and dynamic positioning system.

The cost approach considers the current replacement cost new of the subject property being appraised after deducting for the loss in value caused by all forms of depreciation including physical deterioration, functional obsolescence, and economic obsolescence. "Replacement cost new" is the current cost of a similar property having the nearest equivalent utility as the property being appraised, as of a specific date. The logic of this approach is the principle of substitution; a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility.

Below are the key assumptions and calculations considered by the Valuer in arriving at the fair value and forced sale value of the KL101 Barge:

- (a) the Valuer indicated a similar pipelaying barge namely "Aussie 1" was purchased and refitted with a similar crane at a total value of USD40.00 million in 2010. Based on straight line depreciation of 25 years useful life, the current market value of "Aussie 1" as of 2023 should be in the region of USD19.20 million;
- (b) the market value of the KL101 Barge should be in the region of USD19.05 million based on the Valuer's database of pipelaying/work barge of similar specification;
- (c) the offered price of vessels of similar specification with the KL101 Barge from 2019 to 2023 were in the region of USD6.00 million to USD16.50 million; and
- (d) the estimated replacement cost of the KL101 Barge.

A copy of the valuation certificate from TS Maritime in relation to the valuation for the KL101 Barge is set out in Appendix I of this Circular.

- (ii) the audited NBV of the KL101 Barge as at 30 June 2023 of RM52.59 million; and
- (iii) the remaining Settlement Obligation of USD11.14 million (equivalent to approximately RM52.93 million) owing to EXIM Bank due and payable in April 2024.

For information, it is the Company's intention to allocate RM53.33 million from the proceeds to be raised from the Proposed Disposal for the repayment of the Settlement Obligation (as detailed in Section 3 of this Circular), after deducting the estimated expenses in relation to the Proposed Disposal, in order to cater for fluctuation in the exchange rate.

### **2.3 Mode of settlement of the Minimum Disposal Consideration**

The Minimum Disposal Consideration shall be fully satisfied via cash.

## 2.4 Liabilities to remain with the Group

There are no liabilities, including contingent liabilities, in relation to the KL101 Barge which will remain with or to be assumed by Barakah Group and/or guarantees given by Barakah Group to the third-party purchaser (either via direct disposal or auction), upon the completion of the Proposed Disposal.

## 3. UTILISATION OF PROCEEDS

For illustration purpose assuming the KL101 Barge is being disposed at the Minimum Disposal Consideration, the proceeds are proposed to be utilised by the Company in the following manner:-

<u>Utilisation</u>	<u>Notes</u>	<u>Estimated timeframe for utilisation from receipt of proceeds</u>	<u>Amount</u> RM'000
Repayment of the Settlement Obligation	(i)	Within 1 month	53,329
Estimated expenses for the Proposed Disposal	(ii)	Within 3 months	850
<b>Total</b>			<b>54,179</b>

### Notes:-

- (i) For information, KL101 Ltd received an Islamic financing facility for a maximum aggregate sum of USD59.00 million from EXIM Bank, with Barakah and PBJV as corporate guarantors. Following KL101 Ltd's default on payments at the material time, legal action was initiated by EXIM Bank against the Group in reclaiming the outstanding amount owed.

Barakah had on 5 April 2021 held a creditors' court convened meeting pursuant to Section 366 of the Act for its debt settlement scheme which was approved by the creditors on even date. On 30 August 2021, Barakah completed the debt settlement scheme with EXIM Bank.

As part of the debt settlement scheme, EXIM Bank agreed to a settlement of PBJV's outstanding debt of RM38,410,874.00 (USD9,385,674.77) and waived the sum of RM95,498,450.00 (USD23,334,990.84) in the settlement.

In relation to the remaining debt, on 26 July 2021, Barakah, KL101 Ltd and EXIM Bank had entered into a settlement agreement whereby KL101 Ltd and/or Barakah shall pay or cause to be paid the settlement sum of USD12,650,000.00 to EXIM Bank by way of trimonthly instalments starting from 30 July 2021 until 30 April 2024 in the following manner:-

- payment of USD137,500.00 for the first eleven instalments; and
- payment of USD11,137,500.00 for the last instalment,

(referred to as the "**Settlement Obligation**").

For information, the Group had made a total payment of USD1.51 million to EXIM Bank up to LPD and with the balance of Settlement Obligation of USD11.14 million as at LPD (equivalent to approximately RM52.93 million).

For information, the repayment of the balance of the Settlement Obligation will not result any savings in the interest expenses as the total Settlement Obligation agreed with EXIM Bank had included the interest expense. Nevertheless, the repayment of the balance of the Settlement Obligation is expected to improve the financial position of the Group.

Should the Group be able to secure a disposal price higher than USD11.40 million at the auction/direct disposal, the Group will utilise such proceeds to settle the entire Settlement Obligation to EXIM Bank. Any excess proceeds thereafter, is proposed to be utilised to finance the day-to-day operations of the existing business of the Group, as and when the need arises over a 24-month period as follows:-

	<b>Percentage of the total proceeds to be utilised (%)</b>
Staff-related costs such as staff salaries, bonuses, statutory contribution and welfare expenses	40.00
General administrative and operating expenses such as rental, utilities, telephone charges and sundry expenses	30.00
Repayment to trade creditors	30.00
<b>Total</b>	<b>100.00</b>

The actual breakdown of the proceeds to be utilised for each component of working capital as disclosed above cannot be determined at this juncture and is dependent on the operating and funding requirements of the Group at the time of utilisation.

- (ii) the Company estimates the expenses in relation to the Proposed Disposal to be as follows:-

<b>Expenses</b>	<b>Amount</b>
	RM'000
Professional fees for the Proposed Disposal <sup>(a)</sup>	250
Estimated broker/auctioneer's commission <sup>(b)</sup>	500
Printing, despatch, EGM expenses and miscellaneous expenses	100
	<b>850</b>

**Notes:-**

- (a) Comprise of the estimated professional fees payable to the Principal Adviser, company secretary, Valuer, share registrar and solicitors for the Proposed Disposal; and
- (b) The estimated broker/auctioneer's commission will increase in tandem to the final disposal consideration of the KL101 Barge. The Company had estimated the broker/auctioneer's commission to be at 1.00% of the final disposal consideration. Shareholders should note that the estimate may differ across different brokers/auctioneers. The Company proposes for any shortfall from the amounts estimated to be settled via internally generated funds.

Pending the utilisation of proceeds from the Proposed Disposal, the proceeds will be placed in an interest-bearing bank account, as deposits with licensed financial institution(s) and/or in short-term money market instruments, as the Board deems fit. The Group proposes to utilise such interest/profits arising from the deposits/financial instruments for aforementioned working capital purposes within 24 months from the date proceeds are received.

The Company will make the necessary announcement(s) on the development of the Proposed Disposal including the final mode of the disposal, details of the terms and conditions of the agreement, final disposal consideration, basis and justification for the final disposal consideration, and the breakdown of the intended utilisation of proceeds based on the final disposal consideration, in due course.

#### **4. RATIONALE FOR THE PROPOSED DISPOSAL**

On 17 May 2019, Barakah had been classified as an affected listed issuer as it had triggered Paragraphs 2.1(a), 2.1(e) and 2.1(f) of PN17. The Company had on 14 November 2022 submitted a regularisation plan to Bursa Securities for approval.

On 30 October 2023, the Auditors had issued an unqualified audit opinion with a material uncertainty related to going concern in the independent auditors' report for the financial statements of the Company for the FYE 30 June 2023. The Auditors had drawn attention that there is indication of the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Notwithstanding that the Group incurred a net loss of RM4.00 million during the FYE 30 June 2023, and as at that date, the Group's current liabilities exceeded its current assets by RM18.21 million and had a deficit of shareholders' funds of RM15.05 million, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Group had prepared its financial statements by applying the going concern assumption.

On even date, Malacca Securities, being the principal adviser to Barakah for its regularisation plan had submitted a request to withdraw the regularisation plan submitted in view that the said regularisation plan no longer addresses all the prescribed criteria under Paragraph 2.1 of PN17. As at LPD, the Company is still formulating a regularisation plan to regularise its PN17 situation.

As at 30 June 2023, the Group's current liabilities exceeded its current assets by RM18.21 million was mainly due to the reclassification of the Settlement Obligation of RM51.74 million from non-current liabilities to current liabilities in view the balance of Settlement Obligation is to be settled within the next 12 months subsequent to 30 June 2023, of which USD0.14 million shall be repaid by 30 January 2024 and the balance of USD11.14 million shall be repaid in 30 April 2024. As at LPD, the Group had made total payments of USD1.51 million to EXIM Bank and has a balance Settlement Obligation of USD11.14 million (equivalent to approximately RM52.93 million).

In the event that a timely purchaser is not procured for the Proposed Disposal, the Company may not be able to obtain the necessary proceeds for the Settlement Obligation in a timely manner. Whilst Barakah intends to re-negotiate the repayment timeframe for the last instalment of USD11.14 million due on 30 April 2024, there is no assurance that Barakah will be able successfully re-negotiate the repayment timeframe. In such event, EXIM Bank may exercise its mortgage over the KL101 Barge to take possession of the KL101 Barge and sell it in order to recover the debt and/or undertake legal proceedings to recover the debt from Barakah. As such, it is imperative that Barakah demonstrates its active measures to dispose of the KL101 Barge.

The Proposed Disposal offers an opportunity for Barakah to dispose of an asset that is not generating revenue/profits. Currently, the Company has no existing contracts that utilise the KL101 Barge. Moreover, considering the financial standing of the Company and the condition of the KL101 Barge, retaining the KL101 Barge would result in the Group having to incur resources for the KL101 Barge to undergo scheduled maintenance, certification of validity and physical or sea trials to ensure that the KL101 Barge is in compliance with the RINA classification society certification. In the event the KL101 Barge is not disposed within the next 12 months period, it may be reclassified as a non-current asset from its current classification as a non-current asset held for sale, thus, resulting in the recommencement of depreciation expenses on the KL101 Barge. This will result in additional downward pressure on the earnings of Barakah Group.

The proceeds raised from the Proposed Disposal is envisaged to be utilised mainly for the repayment of the Settlement Obligation. It is also expected to assist the Group in addressing the material uncertainty related to the going concern of the Group highlighted by the Auditors for the FYE 30 June 2023. The repayment of the Settlement Obligation will also allow the Group to deploy its cash resources towards its existing and future contracts to help regularise the Group's operations and financial position. Therefore, upon completion of the Proposed Disposal and the repayment of the Settlement Obligation, the Group should be in a better footing to re-formulate a regularisation plan.

Pursuant to Paragraph 10.02(g) of the Listing Requirements, the percentage ratio for the Proposed Disposal exceeds 25%, thus requiring the Company to seek the shareholders' approval for the Proposed Disposal. As such, notwithstanding that the mode of disposal has yet to be finalised, Barakah has decided to seek an upfront approval from its shareholders for the disposal of the KL101 Barge as discussions with potential buyers and the auctioneers have indicated that the Proposed Disposal should not be conditional upon shareholders' approval as it may delay the time to delivery of the vessel. Most potential buyers have indicated that they want prompt delivery of the vessel after inspection as any delays may alter the condition of the vessel from their last inspection. Obtaining upfront shareholders' approval will also mitigate the uncertainty on obtaining shareholders' approval for the Proposed Disposal.

***[The remainder of this page is intentionally left blank]***

## **5. RISK FACTORS**

The risk factors relating to the Proposed Disposal include, but are not limited to the following:-

### **5.1 Completion risk**

As at LPD, a purchaser has yet to be identified for the Proposed Disposal. The successful completion of the Proposed Disposal is dependent upon the Company's ability to procure a purchaser for the KL101 Barge. In the event that a timely purchaser could not be procured for the Proposed Disposal, the Company may not be able to obtain the necessary proceeds for the Settlement Obligation in a timely manner. In this respect, Barakah intends to re-negotiate the repayment timeframe for the last instalment of USD11.14 million due on 30 April 2024 in view of the ongoing efforts to dispose of the KL101 Barge. As at LPD, the negotiations with EXIM Bank are ongoing.

In managing the completion risk for the Proposed Disposal, the Company takes cognisance that it can consider a public auction for the vessel whereby they will be able to open the disposal to an international platform of purchasers to increase the chances of procuring a purchaser. Nevertheless, the Board will keep abreast with the latest updates from the market in relation to the KL101 Barge and continue to assess its options for the Proposed Disposal from time to time.

### **5.2 Default in payment by the purchaser**

In the event the purchaser fails to fulfil the payment obligations, it would result in the Proposed Disposal to be terminated and the Company will fail to benefit from the Proposed Disposal, resulting in an inability to realise the value of the idle Barge and utilise the proceeds as set out in Section 3 of this Circular.

Nevertheless, the Company will on a best effort basis, take reasonable measures to assess the financial standing of the purchaser.

### **5.3 Foreign exchange risk**

In view that the Minimum Disposal Consideration will be satisfied in USD, the Company is exposed to the fluctuations in exchange rate, particularly, USD/RM. In view of this, the final disposal consideration received may be higher or lower depending upon the exchange rate at that point of time and thus this will affect the final gain/loss on the disposal of KL101 Barge. Besides, in view that the Company's reporting currency is in RM, the settlement of the remaining Settlement Obligation which is in USD will also affect the foreign currency translation differences being recognised into the Group's other comprehensive income or loss. Any adverse change in USD/RM might affect the Group's financial performance.

In addition, the payments are being remitted from other jurisdictions, there is a possibility of delays or other unforeseeable complications arising from the foreign exchange regulations.

Nevertheless, the management is not aware of any restrictions on the transferring of the Minimum Disposal Consideration or the purchase price to Malaysia. The Group will keep abreast of the relevant policies in overseas on repatriation of proceeds to the Company.

## 5.4 Impairment risk

As at LPD, the Group has not entered into any agreement with any purchaser nor secured any purchaser via the auction process. As the negotiations with any purchaser (under the direct disposal) and the auction process will take time, there is a risk that the adverse weather conditions may accelerate the corrosion and deterioration of the idle Barge, thus resulting in further impairment. There can be no assurance that the Group would be able to conclude the Proposed Disposal at the Minimum Disposal Consideration should there be any further impairment to the condition of the KL101 Barge.

Nevertheless, the Group will ensure that scheduled maintenance on the KL101 Barge will be performed to upkeep the Barge's condition.

## 5.5 Opportunity cost

With the Proposed Disposal, the Group will only be disposing the KL101 Barge at current valuation and will not be able to enjoy any future appreciation in the value of the KL101 Barge, if any.

Nonetheless, the proceeds from the Proposed Disposal would be utilised for purposes set out in Section 3 of this Circular, which is expected to strengthen the Group's financial position.

## 6. EFFECTS OF THE PROPOSED DISPOSAL

### 6.1 Issued share capital and substantial shareholders' shareholding

The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Disposal does not involve any issuance of new ordinary shares in Barakah.

### 6.2 NA, NA per share and gearing

Based on the latest audited consolidated financial statements of the Group for the FYE 30 June 2023, the proforma effects of the Proposed Disposal on the NA, NA per share and gearing of the Group, assuming that the Proposed Disposal had been effected at the end of FYE 30 June 2023, are set out as follows:-

	<b>Audited as at 30 June 2023</b>	<b>After the Proposed Disposal</b>
	RM'000	RM'000
Share capital	241,561	241,561
Merger deficit	(71,909)	(71,909)
Foreign exchange translation reserve	(8,578)	(8,563)
Accumulated losses	(176,128)	(a) (176,092)
<b>Shareholders' fund / NL</b>	<b>(15,054)</b>	<b>(15,003)</b>
Non-controlling interest	(157)	(157)
<b>Total equity</b>	<b>(15,211)</b>	<b>(15,160)</b>
Number of shares in issue ('000)	1,002,943	1,002,943
NL per share (RM)	(0.02)	(0.02)
Total borrowings (RM'000)	51,748	(b) 5
Gearing ratio (times)	(c) n/a	(c) n/a

**Notes:-**

- (a) After incorporating a gain on disposal of approximately RM0.60 million relating to the Proposed Disposal assuming that the Barge is disposed at the Minimum Disposal Consideration as compared to the NBV of the Barge (net of estimated commission payable to the broker/auctioneer), RM0.35 million estimated ancillary expenses incurred for the Proposed Disposal and finance cost paid/payable to EXIM Bank of RM2.57 million assuming the total borrowings is repaid on 30 April 2024, being the last payment date of the Settlement Obligation.
- (b) As at LPD, the remaining Settlement Obligation is USD11.14 million (equivalent to approximately RM52.93 million) and shall be repaid by 30 April 2024.
- (c) Not applicable as the Group is in a NL position.

**6.3 Earnings and EPS**

Based on the latest audited consolidated financial statements of the Group for the FYE 30 June 2023, the audited NBV of the KL101 Barge is RM52.59 million. For illustration purpose only, assuming that the Proposed Disposal has been effected at the beginning of the financial year, the proforma effects of the earnings and EPS is as follow:-

	RM'000	RM'000
Audited LAT attributable to the owners of the Company as at 30 June 2023		(3,998)
<b>Gain on the Proposed Disposal:-</b>		
Minimum Disposal Consideration <sup>(a)</sup>	54,179	
Less: NBV of the KL101 Barge as at 30 June 2023 <sup>(b)</sup>	(52,589)	
Less: Reversal of foreign exchange translation reserve in relation to the KL101 Barge	(986)	604
		(350)
Less: Estimated ancillary expenses in relation to the Proposed Disposal		(350)
Savings on finance cost <sup>(c)</sup>		2,566
Savings on maintenance cost		2,260
Savings on depreciation		5,931
<b>Proforma PAT</b>		<b>7,013</b>
Number of shares in issue ('000)		1,002,943
EPS (sen)		0.70

**Notes:-**

- (a) Computed based on USD11.40 million at USD1 : RM4.7525 as at LPD.
- (b) The NBV of the KL101 Barge has been adjusted to take into account the estimated broker/auctioneer's commission of RM0.50 million.
- (c) Assuming the interest expenses in relation to the EXIM Bank's loan will not be incurred.

## 7. APPROVALS REQUIRED AND INTER-CONDITIONALITY

The Proposed Disposal is subject to the following approvals being obtained:-

- (i) the shareholders of Barakah at an EGM to be convened; and
- (ii) any other relevant authority and/or party, if any.

The Proposed Disposal is not conditional upon any other corporate exercises/schemes or proposals undertaken or to be undertaken by Barakah.

## 8. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is 29.82% derived based on the audited NBV of the KL101 Barge of RM52.59 million over the audited total assets of the Group of RM176.36 million, based on the audited financial statements of the Group for the FYE 30 June 2023.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors, major shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.

## 10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered and deliberated on all aspects of the Proposed Disposal, including but not limited to the proposed utilisation of proceeds from the Proposed Disposal, the rationale, and the effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of the Company.

Accordingly, the Board recommends that shareholders vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

## 11. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

As at LPD, save for the Proposed Disposal, the Company does not have any outstanding proposals that have been announced but pending completion.

## 12. TENTATIVE TIMELINE

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Disposal is expected to be completed by the 2nd quarter of calendar year 2024. The tentative timeline for the implementation of the Proposed Disposal is as follows:

In the event the Proposed Disposal is via direct disposal to a third-party:

<b>Tentative timeline</b>	<b>Events</b>
25 March 2024	- EGM for the Proposed Disposal
Early April 2024	- Signing of agreement for the Proposed Disposal
Mid April 2024	- Fulfilment of conditions precedent of the agreement
End April 2024	- Completion of the Proposed Disposal
30 April 2024	- Last date for the repayment of Settlement Obligation

In the event the Proposed Disposal is via an auction process:

<b>Tentative timeline</b>	<b>Events</b>
25 March 2024	- EGM for the Proposed Disposal
30 April 2024	- Last date for the repayment of Settlement Obligation
	- To seek extension from EXIM Bank for the repayment of Settlement Obligation
Early May 2024	- Commence compilation works of relevant documents and pre-inspection exercise
Early June 2024	- Commencement of auction period for the KL101 Barge
End July 2024	- Completion of the Proposed Disposal

### **13. EGM**

The EGM, the notice of which is enclosed in this Circular, will be conducted on a fully virtual basis through live streaming from the broadcast venue at Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Monday, 25 March 2024 at 2.30 p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Disposal. The resolution pertaining to the Proposed Disposal is set out in the Notice of EGM which is enclosed with this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy the instructions contained therein, to be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The lodging of the Form of Proxy shall not preclude you from attending, participating and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be revoked accordingly.

### **14. FURTHER INFORMATION**

You are advised to refer to the appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**BARAKAH OFFSHORE PETROLEUM BERHAD**

**DATO' SRI NIK HAMDAN BIN DAUD**  
*Group President & Chief Executive Officer*



# TS MARITIME SDN BHD

199601015387  
(387737-K)

Our ref: **KL1-CV794-12/23**

Date: **25 SEPTEMBER 2023**

## CERTIFICATE OF VALUATION

NAME OF VESSEL	: <b>KOTA LAKSAMANA 101</b>
TYPE OF VESSEL	: <b>PIPE-LAYING / ACCOMMODATION BARGE</b>
GT/NT	: <b>19,760 / 5,928</b>
OFFICIAL NO.	: <b>334332</b>
PORT OF REGISTRY	: <b>PORT KELANG</b>
YEAR / PLACE BUILT	: <b>2012 / MALAYSIA</b>
BUILDER	: <b>GRADE ONE MARINE SHIPYARD SDN. BHD.</b>
REGISTERED OWNER	: <b>KOTA LAKSAMANA 101 LTD.</b>
CLASSIFICATION	: <b>RINA</b>

TS Maritime has performed an update to determine the current Fair Market Value (FMV) of the subject Vessel. In order to determine the FMV of the Vessel, we adopted Sales Comparison Approach and estimated it based on the market research of the recent offered price of similar vessel and database taken from our previous evaluation that were carried out to similar vessel. We had also carried out the general condition survey of the Vessel on 25 September 2023 whilst she was anchored at Kemaman anchorage, Terengganu, Malaysia. Henceforth, based on the aforementioned statements resulting from our analysis and considerations, we are of the considered opinion that the FMV of the Vessel, on the basis of the vessel's Class fully maintained, all certificates valid, between willing Seller and willing Buyer, 'as is where is', should be "in the region of":

**USD 15,270,000.00**

**(United States Dollar Fifteen Million Two Hundred Seventy Thousand Only)**

Additionally, having taken into consideration of the current market condition, we are of the considered opinion that the Forced Sale Value of the vessel on 'as is where is' basis, should be "in the region of":

**USD 11,400,000.00**

**(United States Dollar Eleven Million Four Hundred Thousand Only)**

This Certificate of Valuation should be read in conjunction with the full report (ref no: TSM GCS 561-09/23) prepared by TS Maritime Sdn Bhd dated 25 September 2023 which detailed the basis under which the valuations have been prepared. All other sections of the full report remain unchanged and shall be applied to this Certificate of Valuation, as applicable. This Certificate of Valuation is prepared for inclusion in the circular to shareholders of Kota Laksamana 101 Ltd.



1  
J4, Bangunan Khas, Lorong 8/1E, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (+6 03) 7958 7737 Fax: (+6 03) 7954 7377,  
Email: [tsmaritime@gmail.com](mailto:tsmaritime@gmail.com), [tech.tsmaritime@gmail.com](mailto:tech.tsmaritime@gmail.com)  
Website : [www.tsmaritime.com.my](http://www.tsmaritime.com.my)



MS ISO/IEC 17021:2011  
QS 02032013 CB 13



# TS MARITIME SDN BHD

199601015387  
(387737-K)

This valuation is given to the best of our knowledge and belief. They apply only to the date above mentioned and no assurance can be given that such value will be sustained or realizable in actual transactions. All statement contained in this valuation and particulars are statements of opinion and not to be taken as implying statements or representation of fact.

No responsibility can be accepted for the accuracy of information given to us by other parties. This valuation has been provided solely for the use of the person who commissioned it and no responsibility can be accepted to any other person.

For and on behalf of

**TS MARITIME SDN BHD**

CAPT. AHMAD KAMAL KAMARUDIN

Marine Surveyor / Appraiser



---

**APPENDIX II – PROPOSED SALIENT TERMS OF THE AUCTION**

---

Based on previous deliberations with the auctioneer, the preliminary salient terms of the auction are as follows:-

- Bidding platform** : Sale by way of public auction via online bidding
- Bidding date and time** : Official auctioning date and time: The date of auction is to be confirmed. The auction day will be within 30 days after the date of public announcement of the auction.
- It is dependent and subject to amongst others, the approval of shareholders of Barakah for the Proposed Disposal.
- Bidding price** : Starting price: USD11.40 million (equivalent to approximately RM54.18 million)
- Bidding deposit: USD0.22 million (or RMB1.6 million) (equivalent to approximately RM1.05 million)
- Bid increment: USD0.02 million (equivalent to approximately RM0.10 million)
- Bidding cost** : After completion of the auction of the KL101 Barge, the Seller shall pay 1.00% of the purchase price as the auction service fee/commission, to be directly deducted from the purchase price upon completion of the auctioning.
- Delivery time** : The notice and time of delivery of the KL101 Barge is to be confirmed.
- Delivery condition** : The KL101 Barge shall be delivered and taken on an “as-is-where-is” basis in the condition at the time of delivery. The KL101 Barge shall be delivered free of cargo and free of stowaways.
- Delivery place** : The KL101 Barge shall be delivered and taken over safely afloat at a safe and accessible berth or anchorage in Malaysia, at the Seller’s option, with the Seller’s notice of 10 banking days in advance.
- Transfer of ownership** : The Seller shall complete all the deletion formalities relating to the KL101 Barge within 10 banking days after signing the protocol of delivery and acceptance or upon clearance of the full settlement of the redemption sum due and payable to EXIM Bank.
- Warranty** : The Seller warrants that the KL101 Barge, at the time of delivery, is free from all charters, pre-emptive right to purchase the KL101 Barge and maritime liens or any other debts whatsoever, and is not subject to port state or other administrative detentions. The Seller undertakes to indemnify the buyer against all consequences of claims made against the KL101 Barge which have been incurred prior to the time of delivery.

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts the omission of which would make any information in this Circular false or misleading.

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST****2.1 Malacca Securities**

Malacca Securities, being the Principal Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities has given its written confirmation that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed Disposal.

**2.2 TS Maritime**

TS Maritime, being the Valuer for the KL101 Barge, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its name, the valuation certificate of the KL101 Barge and all references thereto in the form and context in which they appear in this Circular.

TS Maritime has given its written confirmation that there is no conflict of interest which exists or is likely to exist in its capacity as the Valuer for the KL101 Barge.

**3. MATERIAL LITIGATION**

As at LPD, there are no material litigations, claims or arbitrations involving the KL101 Barge and the Board is not aware of any proceedings pending or threatened in relation to the KL101 Barge, or of any fact likely to give rise to any proceeding which may have material impact on Barakah Group.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 Material commitments**

As at LPD, save for the Settlement Obligation, insurance for protection and indemnity and insurance for marine hull and machinery, there is no material commitment incurred or known to be incurred on the KL101 Barge which upon becoming due or enforceable, may have a material impact on the Barakah Group.

**4.2 Contingent liabilities**

As at LPD, there are no contingent liabilities incurred or known to be incurred on the KL101 Barge, which upon becoming due or enforceable, may have a material impact on the Barakah Group.

**5. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (not being contract entered into in the ordinary course of business) which have been entered into by Barakah Group within the past 2 years up to LPD:

KL101 Ltd entered into a commissioning agreement dated 14 July 2023 with Zhejiang Shipping Exchange Co. Ltd and Zhoushan Yi Ge Ship Auction Co. Ltd. to appoint the auctioneer and the trustee for the disposal of the KL101 Barge through public bidding/auction process on an “as-is-where-is” basis (“**Commissioning Agreement**”). The commissioning period for the Commissioning Agreement is for a period of 5 months with a 1-month extension option. KL101 Ltd shall pay 1.00% of the purchase price of the auctioned Barge as service fees if the said option is successful. The Commissioning Agreement had lapsed and expired on 13 January 2024, and the parties did not extend or renew the Commissioning Agreement.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the Company’s registered office at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Constitution of the Company;
- (ii) the audited consolidated financial statements of Barakah Group for the FYEs 30 June 2022, 30 June 2023 and the unaudited financial statements of Barakah Group for the 6-month FPE 31 December 2023;
- (iii) the valuation certificate and valuation report by the Valuer;
- (iv) the material contract referred to in Section 5 of this Appendix III; and
- (v) the letter of consent and declaration of conflict of interest referred to in Section 2 of this Appendix III.



**BARAKAH OFFSHORE PETROLEUM BERHAD**  
Registration No.: 201201007022 (980542-H)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting (“**EGM**”) of Barakah Offshore Petroleum Berhad (“**Barakah**” or the “**Company**”) will be conducted on a fully virtual basis through live streaming from the broadcast venue at Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Monday, 25 March 2024 at 2.30 p.m., or at any adjournment thereof, via the Remote Participation and Electronic Voting Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U Online at <https://web.vote2u.my>, for the purpose of considering and if thought fit, passing the resolution as set out in this notice:

### **ORDINARY RESOLUTION**

#### **PROPOSED DISPOSAL OF KOTA LAKSAMANA 101 BARGE (“KL101 BARGE”) FOR A MINIMUM CASH CONSIDERATION OF USD11.40 MILLION TO A THIRD-PARTY PURCHASER TO BE IDENTIFIED LATER (“PROPOSED DISPOSAL”)**

“**THAT** subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to Barakah and its group of companies to dispose the KL101 Barge to a third-party purchaser to be identified later for a minimum cash consideration of USD11.40 million (excluding any ancillary expenses incurred for the Proposed Disposal) to be undertaken within 6 months from the date of the approval by the Company’s shareholders at the Company’s EGM;

**THAT** the proceeds arising from the Proposed Disposal be utilised for the purposes as set out in Section 3 of the circular to shareholders in relation to the Proposed Disposal dated 8 March 2024, and the Board of Directors of the Company (“**Board**”) be authorised with full powers to vary the manner and/or purposes of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Disposal including without limitation, with full power to determine the mode of sale and the final consideration for the Proposed Disposal to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or appropriate in order to carry out, finalise and give full effect to the Proposed Disposal in the best interests of the Company.”

BY ORDER OF THE BOARD

**NG HENG HOOI (MAICSA 7048492) (SSM PC No. 202008002923)**  
**WONG MEE KIAT (MAICSA 7058813) (SSM PC No. 202008001958)**  
Company Secretaries

8 March 2024

**Notes:-**

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 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 EGM in person at the Broadcast Venue on the day of the meeting.

Members are to attend, participate, speak (via posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM 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 EGM.

2. A member entitled to attend, participate, speak and vote at the EGM of the Company may appoint not more than 2 proxies to attend and vote in his/her 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 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 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.
5. The appointment of a proxy may be made in hard copy form in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:

In hard copy form

In the case of an appointment made in hard copy form, the form of proxy must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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 19 March 2024 and only Members whose names appear on such Record of Depositors shall be entitled to attend, participate, 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, the resolution set out in this Notice will be put to vote by way of poll.

**Personal data privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.*

# PROXY FORM



BARAKAH OFFSHORE PETROLEUM BERHAD 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 hereby appoint \_\_\_\_\_

IC No./ID No. \_\_\_\_\_ of \_\_\_\_\_

with email address of. \_\_\_\_\_

or failing him/her, \_\_\_\_\_ IC No./ID No. \_\_\_\_\_

of \_\_\_\_\_

with email address of. \_\_\_\_\_

or failing him/her, \*the Chairman of the Meeting as my/our proxy to vote and act for me/us, and on my/our behalf at the Extraordinary General Meeting of the Company to be conducted virtually at the Broadcast Venue at Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Monday, 25 March 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 below:

## Resolution

		For	Against
Ordinary Resolution	Proposed Disposal		

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

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

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

### Notes:-

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 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 Extraordinary General Meeting ("EGM") in person at the Broadcast Venue on the day of the meeting.

Members are to attend, participate, speak (via posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM 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 EGM.

- A member entitled to attend, participate, speak and vote at the EGM of the Company may appoint not more than 2 proxies to attend and vote in his/her 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 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.
- 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 2 or more proxies, the said nominee shall specify the proportion of its shareholdings to be represented by each proxy.
- 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.



5. The appointment of a proxy may be made in hard copy form in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:

In hard copy form

In the case of an appointment made in hard copy form, the form of proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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 19 March 2024 and only Members whose names appear on such Record of Depositors shall be entitled to attend, participate, 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, the resolution set out in this Notice will be put to vote by way of poll.

**Personal data privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.*

*Fold this flap for sealing*

*Then fold here*

Affix  
Stamp

The Share Registrar of

**BARAKAH OFFSHORE PETROLEUM BERHAD** 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

*First fold here*

