

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

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“MEETING” OR “EGM”) OF BARAKAH OFFSHORE PETROLEUM BERHAD (“BARAKAH” OR “THE COMPANY”) 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 ON WEDNESDAY, 18 DECEMBER 2024 AT 10.30 A.M., VIA THE REMOTE PARTICIPATION AND ELECTRONIC VOTING FACILITIES PROVIDED BY AGMO DIGITAL SOLUTIONS SDN BHD VIA ITS VOTE2U ONLINE AT [HTTPS://WEB.VOTE2U.MY](https://web.vote2u.my)

- Present : **Attendance via video conferencing**
- YBhg. Dato’ Sri Nik Hamdan Bin Daud (Executive Chairman)
YBhg. Dato’ Sri Azman Shah Bin Mohd Zakaria (Group President and Chief Executive Officer)
YBhg. Dato’ Rasdee Bin Abdullah (Executive Director)
Puan Khairiah Binti HJ Othman (Independent Non-Executive Director)
YM Tengku Ngah Putra bin Tengku Ahmad Tajuddin (Independent Non-Executive Director)
Encik Azaman bin Sharif (Independent Non-Executive Director)
- All members and proxies entered in the Attendance List
- By Invitation : All guests entered in the Attendance List
- In Attendance : Ms. Wong Mee Kiat (Company Secretary)
Encik Megat Khairulazhar Bin Khairodin (Chief Financial Officer)
Puan Haniza Binti Jaffar (Vice President of Finance and Administration)
Mr. Law Kim Fatt (Representing Malacca Securities Sdn. Bhd.)

WELCOMING ADDRESS

YBhg. Dato’ Sri Nik Hamdan Bin Daud (“**the Executive Chairman**”), on behalf of the Board of Directors, welcomed the shareholders, proxy holders, and invited guests to the Company’s EGM, which was conducted through live streaming from the Broadcast Venue from Level 6, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan using the remote participation and electronic voting facilities provided by Agmo Digital Solutions Sdn. Bhd. via its vote2u online at <https://web.vote2u.my> in Malaysia. The Executive Chairman thanked all participants for joining the meeting remotely from various locations.

The Executive Chairman introduced the following Board members and principal adviser to all present:-

1. YBhg. Dato’ Sri Azman Shah Bin Mohd Zakaria, Group President and Chief Executive Officer;
2. Puan Khairiah Binti HJ Othman, Independent Non-Executive Director;
3. YM Tengku Ngah Putra bin Tengku Ahmad Tajuddin, Independent Non-Executive Director;
4. Encik Azaman bin Sharif, Independent Non-Executive Director; and
5. YBhg. Dato’ Rasdee Bin Abdullah, Executive Director.
6. Mr. Law Kim Fatt, Representing Malacca Securities Sdn. Bhd.

NOTICE OF MEETING

The notice convening the meeting, having been circulated earlier to all the shareholders of the Company within the prescribed period, was taken as read.

QUORUM

The requisite quorum was present as at the commencement of the meeting and therefore, the Executive Chairman called the meeting to order and proceed with the agenda.

PRESENTATION BY MANAGEMENT

The Executive Chairman presented an overview of the Proposed Disposal, which included but not limited to the following: -

1. Brief Info of KL101 Barge
2. Summary of the Proposal Disposal
3. Basis and Justification of the Disposal Consideration
4. Utilisation of Proceeds
5. Rationale for the Proposed Disposal
6. Beneficial Impact of the KL101 Disposal

POLLING PROCEDURES

The Executive Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all ordinary resolutions as set out in the notice calling the meeting were to be voted on by poll, and an independent scrutineer was appointed to validate the votes cast. For this purpose, Agmo Digital Solutions Sdn. Bhd. ("Agmo") had been appointed as the poll administrator, and Aegis Communication Sdn. Bhd. was appointed as the independent scrutineer to verify and confirm the poll results.

A video presentation was made by Agmo, the poll administrator which guided the shareholders who attended the EGM through live streaming on the electronic voting. After Agmo's presentation, the Executive Chairman announced that online voting was opened.

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF KOTA LAKSAMANA 101 BARGE ("KL101 BARGE") TO PT. WINTERMAR RAJAWALI ASIA ("PT. WRA") FOR A CASH CONSIDERATION OF USD9.70 MILLION ("PROPOSED DISPOSAL")

The Executive Chairman informed that Ordinary Resolution was to approve the Proposed Disposal of KL101 Barge for a minimum cash consideration of USD 9.70 million to PT. Wintermar Rajawali Asia ("**Proposed Disposal**").

The full text of the said Proposed Disposal was provided in the Notice of the EGM and Circular dated 3 December 2024.

ANY OTHER BUSINESS

The Executive Chairman informed that the Company had not received any notice of other business to be transacted.

Q&A SESSION

The Executive Chairman addressed the questions posed by the shareholders prior and during the meeting.

The questions and the Company's response are set out in Appendix I.

POLLING PROCESS

Agmo Digital Solutions Sdn. Bhd. as the Poll Administrator briefed the shareholders and proxies on the remote voting procedures through a short video clip. Thereafter, the shareholders and proxies proceeded to cast their vote accordingly.

After announcing the close of the online voting, the Executive Chairman informed that the Meeting be adjourned at 11.06 a.m. for the Independent Scrutineers to verify the poll results. The results of the poll would be declared after counting of votes by the Poll Administrator and validation of the poll results by the Scrutineer, which would take several minutes, during which a short break ensued.

OUTCOME OF EGM - POLL RESULTS

The Executive Chairman reconvened the Meeting at 11.09 a.m. for the announcement of the poll results which had been verified and confirmed by the independent scrutineer, as shown on the screen through live broadcast, as follows:-

Resolution	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution	311,742,320	99.9926	23,120	0.0074

Based on the results of the poll voting, the Executive Chairman declared that the following resolution were duly carried:-

Ordinary Resolution

PROPOSED DISPOSAL OF KOTA LAKSAMANA 101 BARGE ("KL101 BARGE") TO PT. WINTERMAR RAJAWALI ASIA ("PT. WRA") FOR A CASH CONSIDERATION OF USD9.70 MILLION ("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 PT. WRA for a cash consideration of USD9.70 million (excluding any ancillary expenses incurred for the Proposed Disposal), in accordance with the terms and conditions of the conditional memorandum of agreement dated 28 October 2024 and the

BARAKAH OFFSHORE PETROLEUM BERHAD

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Minutes of Extraordinary General Meeting of the Company held on Wednesday, 18 December 2024

addendum to the memorandum of agreement dated 29 November 2024, entered into between Kota Laksamana 101 Ltd, an indirect wholly-owned subsidiary of the Company, and PT. WRA in relation to the Proposed Disposal;

THAT the Board of Directors of the Company (“Board”) be and is hereby authorised to utilise the proceeds arising from the Proposed Disposal for the purposes as set out in Section 3 of the circular to shareholders in relation to the Proposed Disposal dated 3 December 2024 (“Circular”), and the Board be and is hereby 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 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.

CLOSURE OF MEETING

There being no other business, the meeting ended at 11.10 a.m. with a vote of thanks to the Chair.

SIGNED AND CONFIRMED BY

YBhg. Dato’ Sri Nik Hamdan Bin Daud
Executive Chairman

Date:

Questions Raised Prior to the Meeting

Question 1

The proposed disposal price of USD9.70 million is significantly lower than the previous approved minimum disposal consideration of USD11.40 million. Can the Board please elaborate on the reasons for this price difference and the factors considered in determining the current disposal price? What steps were taken to ensure the best possible price was obtained for the KL101 Barge, especially given the failure to secure a buyer within the initial six-month timeframe?

Answer:

Subsequent to the EGM held on 25 March 2024, Barakah Group had on 26 April 2024 appointed TS Maritime Sdn Bhd as technical advisor to liaise with Zhejiang Shipping Exchange Co., LTD and Zhoushan Yi Ge Ship Auction Co., LTD (the Auctioneers) to undertake an auction for the said disposal ("1st Auction").

In view that Barakah did not receive any official offer during the 1st Auction, Barakah had subsequently on 9 July 2024, appointed Eggar Forrester Shipbroking Ltd as the broker for the marketing for the disposal of the KL101 Barge via a private tender.

Despite the Disposal Consideration being substantially lower than the approved minimum disposal consideration of USD11.40 million, the Board is of the opinion that the Disposal Consideration is reasonable as it is the only offer received by Barakah Group after conducting an auction and a private tender over a period of 2 months.

For information, Barakah Group had also not received any offers for the KL101 Barge since classifying the vessel as an asset available for sale on 30 June 2022.

Question 2

The circular mentions that the KL101 Barge has been idle since September 2019. Could the Board provide further insight into the circumstances leading to the Barge's inactivity and the associated financial implications? Have any efforts been made to utilise or lease the Barge in the interim, and if so, what were the outcomes?

Answer:

Barakah Group has actively participated in the tenders which required the utilisation of KL101 Barge prior classifying into non-current asset held for sale in year 2022, which including invited potential clients to inspect the KL101 Barge for charter. Unfortunately, there is no contracts being secured for the KL101 Barge.

During this period of inactivity, Barakah Group continued to incur annual maintenance cost to upkeep the KL101 Barge's conditions. However, no depreciation charge had been incurred on the vessel since it was classified as an asset held for disposal.

Question 3

What is the current market demand and outlook for pipe-laying barges like the KL101? Did the Board consider the potential future revenue opportunities that could be generated by retaining the Barge, especially in light of the Group's intention to expand into civil infrastructure construction?

Answer:

The Board take cognisance that upon completion of the Proposed Disposal, the Group will cease to enjoy any potential economic benefit such as income to be generated from utilising the KL101 Barge for future projects, if any.

Notwithstanding the demand for pipe-laying barges has been picking up gradually from the increased demand for energy and related support services, the Board had also considered the substantial amount of upkeep costs and restoration costs required to get the KL101 Barge fully operational. There can also be no assurance that the Group will be secure contracts which will utilise the KL101 Barge and/or complete such restorations, if required, in time to service such contracts.

After considering the potential benefits and cost associated with the deployment of the KL101 Barge, that the Proposed Disposal presents an opportunity for the Group to realise the value of the idle KL101 Barge.

Question 4

The circular outlines the intended use of the disposal proceeds for the partial repayment of the outstanding Settlement Sum to EXIM Bank, with the remaining balance to be settled via a repayment schedule. What are the specific terms of this repayment schedule, including the interest rate and the timeframe for full repayment? What contingency plans are in place to ensure timely repayment if the Group faces financial challenges in the future?

Answer:

EXIM Bank had indicated that it is supportive of a repayment of USD9,546,500 (net of transaction costs) to be repaid using proceeds from the Proposed Disposal. The repayment schedule of the balance USD1,453,500 has yet to be determined between the parties.

In the event the Proposed Disposal did not complete within the timeframe or aborted due to unforeseen circumstances, the Board will consider its options at the material time, which may include, amongst others, renegotiating the repayment timeframe with EXIM Bank and/or utilise its existing cash and bank balances to fulfil its obligations. For information, the Company's cash and cash equivalents stood at RM54.56 million based on the audited consolidated statement of financial position of Barakah as at 30 June 2024 and increased to RM133.38 million after the receipt of Adjudication Sum of RM78.82 million.

Question 5

The risk factors section of the circular highlights the possibility of PT. WRA defaulting or delaying on its payment obligations. What measures have been put in place to mitigate this risk and ensure the timely receipt of the Disposal Consideration? What due diligence was conducted on PT. WRA to assess their financial capability and creditworthiness?

Answer:

The Company and the appointed broker has conducted a due diligence exercise on PT. WRA includes, amongst others, verification of the company profile and declaration of sources of fund in order to assess PT. WRA's financial capability and creditworthiness. We would also like to highlight that one of the shareholders of PT. WRA i.e. PT. WINS is a company listed on Indonesian stock exchange.

In addition to the due diligence, PT. WRA will lodge a deposit of 10% of the Disposal Consideration ("Deposit") i.e. USD0.97 million in an interest-bearing escrow account for the parties with Escrow Agent, Singapore ("Deposit Holder") in accordance to the terms of the MOA, as the security for the correct fulfilment of the MOA.

Question 6

Given the recent receipt of the Adjudication Sum of RM78.82 million and updates on contracts being tendered, the Group is currently reformulating its regularisation plan. How does the proposed disposal align with the overall strategic direction of the Group, considering the ongoing restructuring efforts and the potential impact of the Adjudication Sum on the Company's financial position?

Answer:

We wish to clarify that the Proposed Disposal does not form part of the Group's regularisation plan to regularise the Group's PN17 status.

Nevertheless, the Proposed Disposal presents an opportunity for the Group to dispose of a non-revenue/ profit generating asset and also part of the Group's cost cutting initiative and to realise the value of the idle KL101 Barge.

Questions Raised During the Meeting

Question 1

Board of Directors reconsider providing a door gift /eVoucher to participants of this EGM?

Answer:

Management has decided to give RM40 Touch n Go e-wallet as a token of appreciation to the shareholders who attended this EGM.

Question 2

What other fundamental problems still exist and are delaying the rejuvenation efforts of our company?

Answer:

Currently, Barakah is still in PN17 status. However, Barakah now is actively participating in tenders and executing existing contracts.

Question 3

How much does the Company spend on this virtual EGM?

Answer:

The estimated cost for this virtual AGM is approximately RM40,000.

Question 4

Any negotiation with Exim bank to forgive some of the debts?

Answer:

The management has made a few attempts to negotiate the USD 1.45 million remaining balance owed to EXIM Bank. EXIM Bank did provide a hair cut in 2021 as part of the group's debt restructuring exercise. Currently, management is committed to repay the balance outstanding with scheduled payments to EXIM Bank.