

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2013**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 31.12.2013 RM'000	Unaudited Preceding year quarter 31.12.2012 RM'000	Unaudited Current year to date 31.12.2013 RM'000	Unaudited Preceding year to date 31.12.2012 RM'000
Revenue	82,762	89,610	82,762	89,610
Cost of sales	(51,702)	(56,664)	(51,702)	(56,664)
Gross profit	31,060	32,946	31,060	32,946
Other income ^	4,060	451	4,060	451
Administrative and other expenses *	(22,978)	(10,580)	(22,978)	(10,580)
Finance costs	(5,914)	(4,737)	(5,914)	(4,737)
Profit before taxation	6,228	18,080	6,228	18,080
Taxation	(2,303)	(2,020)	(2,303)	(2,020)
Profit after taxation	3,925	16,060	3,925	16,060
Other comprehensive income/(expenses)				
Foreign currency translation	4	(9)	4	(9)
Other comprehensive income/(expenses) for the period	4	(9)	4	(9)
Total comprehensive income	3,929	16,051	3,929	16,051
Profit after tax attributable to:				
- Owners of the Company	3,929	16,066	3,929	16,066
- Non-controlling interests	(4)	(6)	(4)	(6)
	3,925	16,060	3,925	16,060
Total comprehensive income attributable to:				
- Owners of the Company	3,933	16,056	3,933	16,056
- Non-controlling interests	(4)	(5)	(4)	(5)
	3,929	16,051	3,929	16,051
Basic weighted average no. of ordinary shares ('000)	617,935	484,545	617,935	484,545
Earnings per share (sen):				
- Basic	0.64	3.32	0.64	3.32
- Diluted	0.50	3.32	0.50	3.32

Notes:-

^ - Included in "Other income" is a one-off gain on disposal of a subsidiary amounting to RM2.22 million pursuant to the disposal of Vastalux Energy Berhad ("VEB") which form part of the scheme for the listing of the Company on Bursa Malaysia (as disclosed in Note A4); and

\* - Included in "Administrative and other expenses" is a one-off impairment loss on goodwill amounting to RM8.41 million pursuant to the acquisition of VEB (as disclosed in Note A4) and listing expenses of RM1.40 million.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS  
AT 31 DECEMBER 2013

	Unaudited As at 31.12.2013 RM'000	Audited As at 30.09.2013 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSET</b>		
Property, plant and equipment	304,064	305,630
<b>CURRENT ASSETS</b>		
Trade receivables	93,399	104,266
Other receivables, deposits and prepayment	2,653	354
Tax refundable	2,467	2,766
Fixed deposits with licensed banks	48,227	39,487
Cash and bank balances	102,019	17,125
	248,765	163,998
Assets held for sale	-	1,258
<b>TOTAL ASSETS</b>	<b>552,829</b>	<b>470,886</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	124,995	96,909
Share premium	60,700	-
Merger deficit	(71,909)	(71,909)
Employees' Share Option Reserve	871	969
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	12,394	-
Translation reserves	35	31
Retained profits	150,875	146,946
Total equity attributable to owners of the Company	277,961	172,946
Non-controlling interest	81	85
<b>TOTAL EQUITY</b>	<b>278,042</b>	<b>173,031</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	20,395	15,943
Long-term borrowings	165,817	207,453
RCULS	23,796	-
	210,008	223,396
<b>CURRENT LIABILITIES</b>		
Trade payables	26,190	29,893
Other payables and accruals	12,378	7,460
Provision for taxation	135	153
Short-term borrowings	19,558	19,821
Bank overdrafts	6,518	17,132
	64,779	74,459
<b>TOTAL LIABILITIES</b>	<b>274,787</b>	<b>297,855</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>552,829</b>	<b>470,886</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
QUARTER ENDED 31 DECEMBER 2013

	Unaudited Current year to date 31.12.2013 RM'000	Unaudited Preceding year to date 31.12.2012 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	6,228	18,080
Adjustments for:-		
Depreciation of property, plant and equipment	3,591	4,476
Gain on disposal of property, plant and equipment	(452)	-
Gain on disposal of a subsidiary	(2,221)	-
Impairment loss on goodwill	8,408	-
Interest expense	4,834	4,761
Interest income	(296)	(258)
Operating profit before working capital changes	20,092	27,059
(Increase)/Decrease in trade and other receivables	8,568	(38,856)
Decrease in trade and other payables	1,215	15,564
<b>CASH FROM OPERATIONS</b>	<b>29,875</b>	<b>3,767</b>
Interest paid	(4,834)	(4,761)
Interest received	296	258
Net taxation paid	(2,022)	(690)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>23,315</b>	<b>(1,426)</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,025)	(1,817)
Proceeds from disposal of property, plant and equipment	1,710	-
Proceeds from disposal of a subsidiary	^	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(315)</b>	<b>(1,817)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Repayment of hire purchase obligations	(5)	(4)
Repayment of term loans	(41,894)	(41)
Net proceeds from issuance of shares	81,909	-
Net proceeds from issuance of RCULS	40,642	-
Proceeds from exercise of employees' share options	592	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>81,244</b>	<b>(45)</b>
<b>NET INCREASE OF CASH AND CASH EQUIVALENTS</b>	<b>104,244</b>	<b>(3,288)</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>4</b>	<b>(9)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>39,480</b>	<b>33,642</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>143,728</b>	<b>30,345</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
QUARTER ENDED 31 DECEMBER 2013 (CONT'D)

	Unaudited Current year to date 31.12.2013 RM'000	Unaudited Preceding year to date 31.12.2012 RM'000
Cash and cash equivalents comprise the following:		
- Cash and bank balances	102,019	3,504
- Fixed deposits placed with licensed banks	48,227	35,215
- Bank overdrafts	(6,518)	(8,374)
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	143,728	30,345
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Note:-

^ - Denotes RM1

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**BARAKAH OFFSHORE PETROLEUM BERHAD  
(980542-H)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2013**

	----- Attributable to owners of the Company -----									
	-----Non-distributable-----					Distributable			Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000		
Balance as at 01.10.2013 (Audited)	96,909	-	(71,909)	969	-	31	146,946	172,946	85	173,031
Profit after taxation	-	-	-	-	-	-	3,929	3,929	(4)	3,925
Other comprehensive expenses for the financial period, net of taxation:										
- Foreign currency translation	-	-	-	-	-	4	-	4	*	4
Total comprehensive income	-	-	-	-	-	4	3,929	3,933	(4)	3,929
Contributions by owners of the Company:										
Issuance of shares pursuant to:										
- Share Exchange	1,904	4,283	-	-	-	-	-	6,187	-	6,187
- Issuance of Share	26,000	58,500	-	-	-	-	-	84,500	-	84,500
Issuance of RCULS	-	-	-	-	12,793	-	-	12,793	-	12,793
Employees' share option exercised	182	507	-	(98)	-	-	-	591	-	591
Total transactions with owners	28,086	63,290	-	(98)	12,793	-	-	104,071	-	104,071
Listing expenses	-	(2,590)	-	-	(399)	-	-	(2,989)	-	(2,989)
Balance as at 31.12.2013	124,995	60,700	(71,909)	871	12,394	35	150,875	277,961	81	278,042

Note:-

\* - Denotes RM522

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2013 (CONT'D)

	----- Attributable to owners of the Company -----				Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Distributable Retained Profits RM'000			
<b>Preceding year corresponding quarter 31.12.2012</b>							
Balance as at 01.10.2012 (Audited)	96,909	(71,909)	(3)	105,815	130,812	106	130,918
Profit after taxation	-	-	-	16,066	16,066	(6)	16,060
Other comprehensive expenses for the financial period, net of taxation:							
- Foreign currency translation	-	-	(10)	-	(10)	1	(9)
Total comprehensive income	-	-	(10)	16,066	16,056	(5)	16,051
Balance as at 31.12.2012	96,909	(71,909)	(13)	121,881	146,868	101	146,969

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134**

**A1. Accounting policies and methods of computation**

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”).

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those of the audited financial statements for the year ended 30 September 2013.

During the current financial period, the Company and its subsidiary companies (“Group”) has adopted the following new accounting standards and interpretations (including the consequential amendments):-

MFRS 10 Consolidated Financial Statements  
MFRS 12 Disclosure of Interests in Other Entities  
MFRS 13 Fair Value Measurement  
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities  
Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.

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

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 (2009) Financial Instruments	1 January 2015
MFRS 9 (2010) Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014

**A2. Auditors’ Report of preceding annual financial statements**

The auditors’ report on the financial statements of the Group for the financial year ended 30 September 2013 was not subject to any qualification.

**QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134**

**A3. Seasonal or cyclical factors**

The Group’s operations were not significantly affected by any seasonal or cyclical factor during the current quarter and financial year-to-date.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year-to-date other than the following which were part of the transactions related to the scheme to list the Company on Bursa Malaysia:-

- the gain on disposal of property, plant and equipment of RM0.45 million as a result of the disposals of two (2) pieces of freehold land and two (2) units of duplex apartments to one of the Company’s director and a third party, respectively;
- the impairment loss on goodwill of RM8.41 million arising from the acquisition of VEB, pursuant to the Share Exchange which is part of the Restructuring Scheme undertaken by the Company;
- the gain on disposal of VEB of RM2.22 million pursuant to the Disposal of VEB of the Restructuring Scheme; and
- listing expenses of RM1.40 million incurred in relation to the Restructuring Scheme.

**A5. Material changes in estimates**

There were no material changes in estimates in the current quarter and current financial year-to-date.

**A6. Debt and equity securities**

There were no issuances, cancellation, repurchase, resale or repayment of debt or equity securities in the current quarter and financial year-to-date except for the following:-

- Share Capital

	<b>Ordinary share of RM0.20 each No. of shares (‘000)</b>	<b>RM’000</b>
Share capital – issued and fully paid up as at 01.10.2013	484,545	96,909
Issuance of shares pursuant to:-		
- Share Exchange	9,519	1,904
- Issuance of Share	130,000	26,000
Employees’ share option exercised	910	182
Share capital as at 31.12.2013	624,974	124,995



QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134**

**A6. Debt and equity securities (Cont’d)**

There were no issuances, cancellation, repurchase, resale or repayment of debt or equity securities in the current quarter and financial year-to-date except for the following (Cont’d):-

- Redeemable convertible unsecured loan stocks (“RCULS”)

On 3 May 2013, the Securities Commission approved the issuance for 208,021,362 RCULS of RM41,604,272.40 nominal value of 5-year 3.5% RCULS of RM0.20 each to entitled and existing shareholders.

On 21 August 2013, Bursa Malaysia approved the listing of and quotation for the said RCULS on the Main Market of Bursa Malaysia.

On 25 October 2013, the said RCULS was issued to the entitled and existing shareholders which were then listed on the Main Market of Bursa Malaysia on 6 November 2013.

**A7. Dividends**

There were no dividends paid or declared for the current quarter and financial year-to-date.

**A8. Segmental information**

The Group’s revenue is derived from 2 business segments, namely:

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 31.12.2013 RM’000	Unaudited Preceding year quarter 31.12.2012 RM’000	Unaudited Current year to date 31.12.2013 RM’000	Unaudited Preceding year to date 31.12.2012 RM’000
Pipeline and commissioning services; and	53,076	30,544	53,076	30,544
Installation and construction services	29,686	59,066	29,686	59,066
	82,762	89,610	82,762	89,610

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in one industry, that is the oil and gas industry.

**A9. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current quarter and financial year-to-date.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134**

**A10. Capital commitments**

There were no material capital commitments in respect of property, plant and equipment as at 31 December 2013.

**A11. Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year-to-date.

**A12. Contingent liabilities and contingent assets**

There were no changes in contingent liabilities or contingent assets since the last annual reporting period date up to the date of this report.

**A13. Material events subsequent to the end of the quarter**

There are no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

**A14. Significant related party transactions**

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 31.12.2013 RM'000	Unaudited Preceding year quarter 31.12.2012 RM'000	Unaudited Current year to date 31.12.2013 RM'000	Unaudited Preceding year to date 31.12.2012 RM'000
<b>Company in which certain Directors have interest</b>				
Purchases	2,441	742	2,441	742
Donations	150	100	150	100

**A15. Change of financial year end**

The Group had changed the financial year end from 30 September to 31 December.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B1. Review of performance**

In the current quarter and financial period ended 31 December 2013, a lower turnover of RM82.76 million was recorded compared to that recorded in the corresponding quarter of the preceding year of RM89.61 million, which was mainly due to lower progress billing from the installation and construction projects. The Group had also recorded a lower profit before tax of RM6.23 million, which is approximately 65.55% decrease compared to the corresponding quarter of the preceding year due to the one-off net loss of approximately RM6.19 million incurred in connection with the Restructuring Scheme undertaken by the Group (as disclosed in Note A4). The increase in manpower, both from the operations and top management, had also increased the administrative expenses incurred by the Group as the Company had grown from a private limited company in the preceding year to a public listed company in the current quarter. The Group had also recruited more manpower in preparation for significantly higher order book secured.

Pipeline and commissioning services

The increase in the turnover generated from this segment of approximately RM22.53 million was due to the higher number of on-going projects in the current quarter compared to the corresponding quarter of the preceding year.

Installation and construction services

The decrease in the turnover generated from this segment of approximately RM29.38 million was mainly due to lesser barge chartering income and no Onshore Engineering, Procurement, Construction and Commissioning income generated in the current quarter compared to the corresponding quarter of the preceding year. This decrease however, was slightly offset by the increase in turnover generated from the on-going Offshore Transportation and Installation ("T&I") projects in the current quarter.

**B2. Comparison with immediate preceding quarter's results**

Pipeline and commissioning services

The increase in the turnover generated from this segment from RM44.95 million in the immediate preceding quarter to RM53.08 million in the current quarter was mainly due to the higher number of on-going projects in the current quarter.

Installation and construction services

The decrease in the turnover generated from this segment from RM42.17 million in the immediate preceding quarter to RM29.68 million in the current quarter was mainly due to lesser barge chartering revenue and T&I projects revenue generated in the current quarter.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B3. Commentary on prospects**

The Board of Directors is confident that the earnings prospects of the Group will remain positive. This is in view of significant number of new contracts secured in 2013 which will be executed progressively over the next 3 to 5 years. This include the long-term Pan-Malaysia Transportation and Installation Contract 2014 - 2016 Package A.

As at 31 December 2013, the Group has an order book of approximately RM2.24 billion which provides good revenue and earnings visibility over the next 3 to 5 years.

**B4. Variance of actual profit from forecast profit**

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents.

**B5. Profit before taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 31.12.2013 RM'000	Unaudited Preceding year quarter 31.12.2012 RM'000	Unaudited Current year to date 31.12.2013 RM'000	Unaudited Preceding year to date 31.12.2012 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Interest income	(296)	(258)	(296)	(258)
Interest expense	4,834	4,761	4,834	4,761
Depreciation of property, plant and equipment	3,591	4,476	3,591	4,476
Gain on disposal of property, plant and equipment	(452)	-	(452)	-
Gain on disposal of a subsidiary	(2,221)	-	(2,221)	-
Impairment loss on goodwill	8,408	-	8,408	-
Realised gain on foreign exchange	(607)	(101)	(607)	(101)
Listing expenses	1,403	-	1,403	-

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING  
REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART  
A OF APPENDIX 9B)**

**B6. Income tax expense**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 31.12.2013 RM'000	Unaudited Preceding year quarter 31.12.2012 RM'000	Unaudited Current year to date 31.12.2013 RM'000	Unaudited Preceding year to date 31.12.2012 RM'000
Current tax:				
- for the current period	2,303	2,020	2,303	2,020

The effective tax rate for the current quarter is higher than the statutory tax rate of 25% mainly due certain expenses which are not deductible for tax purposes.

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B7. Status of corporate proposals**

There were no corporate proposals announced but not completed as at the date of this announcement.

**Utilisation of proceeds**

The total proceeds generated from the Issuance of Shares and the issuance of RCULS of RM126.11 million and the status of utilisation as at February 2014 is as follows:-

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Amount Utilised RM'000</b>	<b>----- Deviation ----- RM'000                      %</b>		<b>Expected timeframe for utilisation from Listing Date</b>
<i><u>Proceeds from Issuance of Shares:-</u></i>					
Purchase of equipment and machineries	15,400	-	-	-	12 months
Working capital	65,100	-	-	-	12 months
Estimated expenses in relation to the Restructuring Scheme and issuance of RCULS	4,000	7,066	3,066 ^	76.65	3 months
<i><u>Proceeds from issuance of RCULS:-</u></i>					
Re-finance the borrowings of the pipe-laying accommodation barge	41,605	41,605	-	-	3 months
	126,105	48,671			

Note:-

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

- (i) RM2.59 million has been written off against the share premium account pursuant to Section 60 of the Companies Act 1965;
- (ii) RM0.40 million has been written off against the equity component of the RCULS; and
- (iii) the remaining of RM4.08 million has been expensed off against the Group's statement of comprehensive income from the FYE 30 September 2012 till the date of this announcement.

As the actual expenses incurred was higher than budgeted, a portion of the amount allocated for working capital purposes has been utilised to fund the deficit.

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

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B8. Group borrowings**

Total Group borrowings as at 31 December 2013 were as follows:-

Unaudited	Short term	Long term	As at
	Secured	Secured	31.12.2013
	RM'000	RM'000	Total
			RM'000
Term loans	19,543	165,762	185,305
Hire purchase	15	55	70
Bank overdrafts	6,518	-	6,518
	<u>26,076</u>	<u>165,817</u>	<u>191,893</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

**B9. Material litigation**

On 10 April 2013, a subsidiary of the Company, PBJV Group Sdn. Bhd. ("PBJV"), filed a claim against Target Resources Corporation Sdn Bhd and Target Energy Co. (M) Sdn Bhd (collectively known as "Target Energy") for an amount of RM4,757,940.71 plus interest and costs in respect of pipeline pre-commissioning works done in accordance with the contract work awarded to PBJV. The Order 14 Application for Summary Judgment filed by PBJV was dismissed by the court. PBJV has filed in an appeal against the Order 14 Application in the Court of Appeal and a Notice of Interrogation in the High Court of Kuala Lumpur.

A full trial was convened on 28 January 2014, where the High Court had passed a judgement sum of RM2,676,764.56 plus interest in favour of PBJV, being the full and final settlement against the amount outstanding from Target Energy. The judgement sum is to be settled on or before 28 April 2014, failing which an interest of 5% per annum can be claimed against Target Energy. As at the date of this announcement, the judgement sum is still outstanding.

*Note:-*

*Prior to the High Court's judgement received on 28 January 2014, PBJV had received payment from Target Energy amounting to RM1 million.*

**B10. Dividends**

No dividend was declared or recommended for payment by the Company during the quarter under review.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B11. Earnings per share**

(a) Basic earnings per share

The basic earnings per share for the current quarter and for the financial year-to-date is computed by dividing the profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the financial period.

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 31.12.2013	Unaudited Preceding year quarter 31.12.2012	Unaudited Current year to date 31.12.2013	Unaudited Preceding year to date 31.12.2012
Profit attributable to the owners of the Company (RM'000)	3,929	16,066	3,929	16,066
Weighted average number of ordinary shares in issue ('000)	617,935	484,545	617,935	484,545
Basic earnings per share (sen)	0.64	3.32	0.64	3.32

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QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B11. Earnings per share (Cont'd)**

(b) Diluted earnings per share

The diluted earnings per share for the current quarter and for the financial year-to-date is arrived at by adjusting for the dilutive effects of all potential ordinary shares, such as the share options granted to employees and the RCULS issued, on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the financial period.

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 31.12.2013	Unaudited Preceding year quarter 31.12.2012	Unaudited Current year to date 31.12.2013	Unaudited Preceding year to date 31.12.2012
Profit attributable to the owners of the Company (RM'000)	3,929	16,066	3,929	16,066
Interest expense on RCULS, net of tax (RM'000)	182	-	182	-
	<u>4,111</u>	<u>16,066</u>	<u>4,111</u>	<u>16,066</u>
Weighted average number of ordinary shares in issue ('000) (Basic)	617,935	484,545	617,935	484,545
Effect of assumed exercise of share options granted ('000)	8,135	-	8,135	-
Effect of conversion of RCULS ('000)	197,097	-	197,097	-
	<u>823,167</u>	<u>484,545</u>	<u>823,167</u>	<u>484,545</u>
Diluted earnings per share (sen)	<u>0.50</u>	<u>3.32</u>	<u>0.50</u>	<u>3.32</u>

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**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)**

**B12. Disclosure of realised and unrealised profits/(loss)**

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group		
- Realised	166,567	162,807
- Unrealised	(15,943)	(15,938)
	<hr/>	<hr/>
	150,624	146,869
Add: Consolidated adjustments	251	77
	<hr/>	<hr/>
	150,875	146,946
	<hr/>	<hr/>