

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2020 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM'000	Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding Year to date 3 Months 30.06.2019 RM'000
Revenue	32,628	56,251	32,628	56,251
Cost of sales	(26,669)	(50,533)	(26,669)	(50,533)
Gross Profit/(Loss)	5,959	5,718	5,959	5,718
Other income	810	71	810	71
Administrative and other expenses	(8,787)	(8,174)	(8,787)	(8,174)
Finance costs	(519)	(2,982)	(519)	(2,982)
Profit/(Loss) before taxation	(2,537)	(5,367)	(2,537)	(5,367)
Income tax (expense)/credit	(401)	(410)	(401)	(410)
Profit/(Loss) after taxation	(2,938)	(5,777)	(2,938)	(5,777)
Other comprehensive Income/(expenses):				
Foreign currency translation differences	6,088	(1,126)	6,088	(1,126)
Total comprehensive (expenses)/income	3,150	(6,903)	3,150	(6,903)
Profit/(Loss) after tax attributable to:				
- Owners of the Company	(2,938)	(5,776)	(2,938)	(5,776)
- Non-controlling interests	-	(1)	-	(1)
	(2,938)	(5,777)	(2,938)	(5,777)
Total comprehensive (expenses)/income attributable to:				
- Owners of the Company	3,147	(6,902)	3,147	(6,902)
- Non-controlling interests	3	(1)	3	(1)
	3,150	(6,903)	3,150	(6,903)
Basic weighted average no. of ordinary shares ('000)	835,786	830,684	835,786	830,684
Earnings per share (sen):				
- Basic	(0.35)	(0.70)	(0.35)	(0.70)
- Diluted	N/A	N/A	N/A	N/A

*The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 ("FYE 2020") and the accompanying explanatory notes attached to these interim financial statements.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2020

	Unaudited As at 30.09.2020 RM'000	Audited As at 30.06.2020 RM'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	76,679	80,521
Right-Of-Use Assets	5,056	5,527
	81,735	86,048
<b>CURRENT ASSETS</b>		
Inventories	4,291	4,291
Trade receivables	16,550	76,527
Other receivables, deposits and prepayments	1,559	1,530
Contract assets	6,390	23,303
Current tax assets	8,353	15,920
Short-term investments	4,363	5,344
Fixed deposits with licensed banks	50,266	49,981
Cash and bank balances	115,554	40,760
	207,326	217,656
<b>TOTAL ASSETS</b>	<b>289,061</b>	<b>303,704</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	231,889	231,889
Merger deficit	(71,909)	(71,909)
Foreign exchange translation reserves	6,268	180
Accumulated losses	(321,551)	(318,613)
	(155,303)	(158,453)
Equity attributable to owners of the Company	(155,303)	(158,453)
Non-controlling interest	(125)	(128)
<b>TOTAL EQUITY</b>	<b>(155,428)</b>	<b>(158,581)</b>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30  
SEPTEMBER 2020 (CONT'D)

	Unaudited As at 30.09.2020 RM'000	Audited As at 30.06.2020 RM'000
<b>NON-CURRENT LIABILITIES</b>		
Lease Liabilities	3,807	3,809
	<hr/> 3,807	<hr/> 3,809
<b>CURRENT LIABILITIES</b>		
Trade Payables	241,695	257,174
Other Payables and Accruals	14,382	10,170
Short Term Borrowings	183,192	188,070
Lease Liabilities	1,413	1,839
Bank overdrafts	-	1,223
	<hr/> 440,682	<hr/> 458,476
<b>TOTAL LIABILITIES</b>	<hr/> 444,489	<hr/> 462,285
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>289,061</b>	<hr/> <b>303,704</b>
Net asset per share (sen)	<hr/> <hr/> (18.58)	<hr/> <hr/> (18.96)

*The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 2020 and the accompanying explanatory notes attached to these interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Unaudited Current year to date 3 Months 30.09.2020 RM'000</b>	<b>Unaudited Preceding year to date 3 Months 30.09.2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(2,537)	(5,367)
Adjustments for:-		
Depreciation of property, plant and equipment	1,802	2,038
Depreciation of right-of-use assets	466	-
Interest expense	519	2,975
Interest income	(418)	(63)
Unrealised loss/(gain) on foreign exchange	2,283	(847)
Operating profit/(loss) before changes in working capital	2,115	(1,264)
Changes in working capital :		
Trade and other receivables	59,948	(8,838)
Contract assets	16,913	-
Trade and other payables	(11,267)	(3,626)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>67,709</b>	<b>(13,728)</b>
Interest paid	-	(226)
Interest received	418	63
Tax Refund	7,724	1,771
Tax Paid	(558)	(273)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>75,293</b>	<b>(12,393)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10)	-
(Increase)/Decrease in pledged fixed deposits with licensed banks and cash and bank balances	(49)	972
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>(59)</b>	<b>972</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	-	(29)
Repayment of lease liabilities	(471)	-
Repayment of hire purchase obligations	-	(7)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(471)</b>	<b>(36)</b>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER  
ENDED 30 SEPTEMBER 2020 (CONT'D)

	Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding year to date 3 Months 30.09.2019 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,763	(11,457)
EFFECT OF EXCHANGE RATE CHANGES	355	227
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	55,013	27,157
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<b>130,131</b>	<b>15,927</b>
<b>Cash and cash equivalents comprise the following:</b>		
- Short-term investments	4,363	5,244
- Fixed deposits with licensed banks	50,266	52,606
- Cash and bank balances	115,554	16,329
- Bank overdrafts	-	(5,646)
	170,183	68,533
Less : Fixed deposits pledged to licensed banks	(35,486)	(52,606)
Cash and bank balances pledged to licensed bank	(4,566)	-
	<b>130,131</b>	<b>15,927</b>

*The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 2020 and the accompanying explanatory notes attached to these interim financial statements.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	----- Attributable to owners of the Company -----						Total Equity RM'000
		Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve ("FETR") RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling interests RM'000	
Balance at 01.07.2020		231,889	(71,909)	180	(318,613)	(158,453)	(128)	(158,581)
Profit/(Loss) after taxation		-	-	-	(2,938)	(2,938)		(2,938)
Other comprehensive expenses for the financial period, net of taxation:								
- Foreign currency translation		-	-	6,088	-	6,088	3	6,091
Total comprehensive expenses		-	-	6,088	(2,938)	3,150	3	3,153
Balance at 30.09.2020		231,889	(71,909)	6,268	(321,551)	(155,303)	(125)	(155,428)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2020 (CONT'D)

Unaudited	Note	----- Attributable to owners of the Company -----									
		----- Non-distributable -----					----- -Distributable-----				
		Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Foreign Exchange Translation Reserve ("FETR") RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
Balance at 01.07.2019		231,889	-	(71,909)	-	-	6,906	(355,537)	(188,651)	(112)	(188,763)
Loss after taxation		-	-	-	-	-	-	(5,776)	(5,776)	(1)	(5,777)
Other comprehensive expenses for the financial period, net of taxation:											
- Foreign currency translation		-	-	-	-	-	(1,126)	-	(1,126)	-	(1,126)
Total comprehensive expenses		-	-	-	-	-	(1,126)	(5,776)	(6,902)	(1)	(6,903)
Balance at 30.09.2019		231,889	-	(71,909)	-	-	5,780	(361,313)	(195,553)	(113)	(195,666)

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 2020 and the accompanying explanatory notes attached to these interim financial statements.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

**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 (“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 financial period ended 30 June 2020.

The Group has adopted the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB), effective for the financial year beginning on or after 1 January 2020 :-

- Amendments to References to the Conceptual Framework in MFRS Standards:
  - Amendments to MFRS 2, “Share Based Payments”
  - Amendments to MFRS 3, “Business Combinations”
  - Amendments to MFRS 6, “Exploration for and Evaluation of Mineral Resources”
  - Amendments to MFRS 14, “Regulatory Deferral Accounts”
  - Amendments to MFRS 101, “Presentation of Financial Statements”
  - Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”
  - Amendments to MFRS 134, “Interim Financial Reporting”
  - Amendments to MFRS 137, “Provisions, Contingent Liabilities and Contingent Assets”
  - Amendments to MFRS 138, “Intangible Assets”
  - Amendments to IC Interpretation 12, “Service Concession Arrangements”
  - Amendments to IC Interpretation 19, “Extinguishing Financial Liabilities with Equity Instruments”
  - Amendments to IC Interpretation 20, “Stripping Costs in the Production Phase of a Surface Mine”
  - Amendments to IC Interpretation 22, “Foreign Currency Transactions and Advance Considerations”
  - Amendments to IC Interpretation 132, “Intangible Assets- Web Site Costs”
- Amendments to MFRS 3, “Business Combinations” (Definition of a Business)
- Amendments to MFRS Standards arising from Definition of Material:
  - Amendments to MFRS 101, “Presentation of Financial Statements”
  - Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform:
  - Amendments to MFRS 7, “Financial Instruments: Disclosures”
  - Amendments to MFRS 9, “Financial Instruments”
  - Amendments to MFRS 139, “Financial Instruments: Recognition and Measurement”

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



**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

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

**A2. 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.

**A3. 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 for the Group during the current quarter and financial year-to-date.

**A4. Material changes in estimates**

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

**A5. 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.

**A6. Dividends paid**

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

**A7. Segmental information**

No segmental information is provided as the Group is primarily involved in the oil and gas industry (one business segment) and the Group’s activities are predominantly in Malaysia. The overseas segment accounts for less than 10% of the consolidated revenue and assets.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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

A8. Revenue

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 30.09.2020 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM'000	Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding year to date 3 Months 30.09.2019 RM'000
Pipeline and commissioning services (“PCS”); and	31,602	39,736	31,602	39,736
Installation and construction services (“ICS”)	1,027	16,515	1,027	16,515
	<u>32,628</u>	<u>56,251</u>	<u>32,628</u>	<u>56,251</u>

The Group's revenue are generated solely from non-related parties and as such, the total trade receivables as at the end of the financial year are from non-related parties. The Group's average credit terms granted to trade receivables range from 60 to 90 days (FYE 2020 - 60 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

A9. Valuation of property, plant and equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

A10. Capital commitments

	<b>As at 30.09.2020 RM'000</b>
<b>Property, plant and equipment:-</b>	
Approved and contracted for	<u>556</u>

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

The contingent liabilities of the Group comprise of the following:-

	<b>As at 30.09.2020 RM'000</b>
<b><u>Unsecured</u></b>	
Bank guarantees extended to clients	<u>5,767</u>

There are no contingent assets as at the date of this report.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

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

**A13. Material events during the quarter**

- a) On 19 May 2020, the Company’s wholly-owned subsidiary, PBJV Group Sdn. Bhd. (“PBJV”) had been granted orders pursuant to Section 366 and 368 of the Companies Act 2016 (“the Act”) by the High Court of Malaya at Kuala Lumpur (“Court”) restraining all proceedings and actions brought against PBJV (“Restraining Order”) except with leave of Court and subject to any terms that the Court may impose. The Court had granted PBJV a fresh Restraining Order commencing from 19 May 2020 for a period of 3 months from the date of the order (the 1<sup>st</sup> Order).

On 18 August 2020, the Court had granted an extension of the Order for a further period of three (3) months up to 17 November 2020 (the 2<sup>nd</sup> Order).

This Restraining Order was applied for as part of proactive measure by PBJV to manage the debt levels of PBJV and its related companies (“Barakah Group”) and the Order allows the Barakah Group to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against PBJV.

There are no other material events during the current quarter, including the material litigation which have been disclosed in Note B9 below, that have not been reflected in the financial statements for the current quarter and financial period-to-date.

**A14. Material events subsequent to the end of the quarter**

- a) On 13 November 2020, the Company’s wholly-owned subsidiary, PBJV had applied to the High Court of Malaya at Kuala Lumpur pursuant to Sections 366 and 368(2) of the Act and was on 17 November 2020 granted an extension of the Order for a further period of three (3) months. The extension of the Order commences from 18 November 2020 (“the 3<sup>rd</sup> Order”).

There are no other material events subsequent to the end of the current quarter up to the date of this report, including the material litigation which have been disclosed in Note B9 below, that have not been reflected in the financial statements for the current quarter and financial period-to-date.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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

A15. Significant related party transactions

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 30.09.2020 RM’000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM’000	Unaudited Current year to date 3 Months 30.09.2020 RM’000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM’000
<b>Company in which certain Directors have interest</b>				
Rental of premises paid/payable	390	520	390	520
Rental of yard paid/payable	23	20	23	20
Donations *	60	60	60	60

\* As part of the Group’s Corporate Social Responsibility program, monthly donations are made to an orphanage home managed by Persatuan Kebajikan Pusat Jagaan Rumah Kasih Harmoni Paya Jaras (“RKHPJ”) known as Rumah Kasih Harmoni, which is located in Paya Jaras, Selangor and currently houses 110 children from preschool to secondary school.

The donation is a related party transaction (“RPT”) by virtue of:

- i) Nik Hamdan bin Daud, the chairman of RKHPJ, who is also a director and a shareholder of the Company; and
- ii) Haniza binti Jaffar, the deputy chairman of RKHPJ, who is also a management of the Group.

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

**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**

	----- Individual Quarter -----				----- Cumulative Quarter -----			
	Unaudited Current year quarter 3 Months 30.09.2020 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM'000	Variance		Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding year to date 3 Months 30.09.2019 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	32,628	56,251	(23,623)	(42)	32,628	56,251	(23,623)	(42)
EBITDA ^	(169)	(417)	248	(59)	(169)	(417)	248	(59)
Profit/(Loss) before taxation	(2,537)	(5,367)	2,830	(53)	(2,537)	(5,367)	2,830	(53)
Profit/(Loss) after taxation	(2,938)	(5,777)	2,839	(49)	(2,938)	(5,777)	2,839	(49)
Profit/(Loss) after taxation attributable to owners of the Company	<u>(2,938)</u>	<u>(5,776)</u>	2,838	(49)	<u>(2,938)</u>	<u>(5,776)</u>	2,838	(49)

Note:-

^ - EBITDA refers to earnings/(loss) before interest, taxation, depreciation and amortisation.

During the current financial quarter ended 30 September 2020, the Group reported total revenue of RM32.63 million, a decrease of 42% from the corresponding quarter of the preceding year. The decrease in revenue for the current quarter was mainly due to lower revenue generated by the Installation and Construction services ("ICS"). The Group had also reported a loss before taxation of RM2.54 million as compared to a loss of RM5.37 million from the corresponding quarter of the preceding year.

	----- Individual Quarter -----				----- Cumulative Quarter -----			
	Unaudited Current year quarter 3 Months 30.09.2020 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM'000	Variance		Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding year to date 3 Months 30.09.2019 RM'000	Variance	
			RM'000	%			RM'000	%
PCS	31,602	39,736	(8,134)	(20)	31,602	39,736	(8,134)	(20)
ICS	1,027	16,515	(15,488)	(94)	1,027	16,515	(15,488)	(94)
	<u>32,628</u>	<u>56,251</u>			<u>32,628</u>	<u>56,251</u>		

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

**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 (Cont'd)**

Pipeline and commissioning services ("PCS")

The Group reported a revenue of RM31.6 million generated from PCS in the current financial quarter, compared to RM39.74 million from the corresponding quarter of the preceding year. This slight decrease was due to lesser work orders received from Pan Malaysia Maintenance, Construction and Modification ("PM-MCM") works from clients during the current financial quarter compared to the corresponding quarter of the preceding year.

Installation and construction services ("ICS")

During the current financial quarter ended 30 September 2020, ICS generated a revenue of RM1.03 million, a decrease of 94% from the corresponding quarter of the preceding year. This is due to no new ICS contracts carried out during the current quarter. .

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

	<b>Unaudited Current year quarter 3 Months 30.09.2020 RM'000</b>	<b>Unaudited Immediate preceding quarter 3 Months 30.06.2020 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	32,628	74,696	(42,068)	(56)
EBITDA <sup>^</sup>	(169)	6,308	(6,477)	(103)
(Loss)/Profit before taxation	(2,537)	2,069	(4,606)	(223)
(Loss)/Profit after taxation	(2,938)	2,442	(5,380)	(220)
(Loss)/Profit after taxation attributable to owners of the Company	(2,938)	2,448	(5,386)	(220)

Note:-

<sup>^</sup> - EBITDA refers to earnings before interest, taxation, depreciation, and amortisation

The Group reported a lower revenue by 56% during the current quarter ended 30 September 2020 compared to the immediate preceding quarter. The loss before taxation has decreased by 223% in the current quarter ended 30 September 2020 compared with the immediate preceding quarter. The decrease in revenue was mainly due to the lower revenue from PCS. Most contracts under ICS have been successfully completed and no new contracts carried out during the current quarter.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

**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 outlook for the oil and gas industry remains challenging mainly caused by the effect of COVID-19 global pandemic lockdowns which prompted clients to be more conservative in future investments and spending. The recovery of oil and gas sectors will mainly depends on the successful containment of the COVID-19 pandemic which timing is currently uncertain.

Nevertheless there are still project opportunities deployed by project owners and main contractors around the Asian region. The Group will continue pursuing these opportunities and with the Group capabilities and proven track record, there is a good chance and prospect to secure the opportunities available. The Group will continue enhancing its operational efficiency of existing projects and cost reduction to improve profit margins thus ensuring sustainability of its business.

Meanwhile, the Group is currently formulating a plan to regularise its financial conditions including debt settlement scheme for lenders and creditors hence to uplift the Group from the PN17 status. PBJV Group Sdn Bhd ("PBJV"), the Company's main and wholly owned subsidiaries has taken proactive measures in securing a Restraining Order ("RO") from the High Court of Malaya at Kuala Lumpur which period will expiring on 18 February 2021. This effort is to restrain all proceedings and actions brought against PBJV while the debt restructuring scheme and regularisation plan for the Group is being finalised.

**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.

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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

**B5. Profit(Loss) before taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2020 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM'000	Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding year to date 3 Months 30.09.2019 RM'000
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Interest income on financial assets not at fair value through profit or loss:				
- fixed deposits with licensed banks	(285)	(22)	(285)	(22)
- Cash and bank balances	(133)	-	(133)	-
- others		(41)		(41)
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdraft	4	148	4	148
- hire purchase	-	6	-	6
- term loans	466	2,752	466	2,752
- bank guarantee/trust Receipts	-	69	-	69
- right-of-use assets	49	-	49	-
Depreciation of property, plant and equipment	1,802	2,038	1,802	2,038
Depreciation of right-of-use assets	466	-	466	-
Unrealised (gain)/loss on foreign exchange	2,283	(847)	2,283	(847)

Except for those disclosed above, there were:-

- no write off of receivables
- no provision for or write off of inventories; and
- no gain or loss on disposal of unquoted investments.



QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

**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 3 Months 30.09.2020 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2019 RM'000	Unaudited Current year to date 3 Months 30.09.2020 RM'000	Unaudited Preceding year to date 3 Months 30.09.2019 RM'000
Current tax:				
- for the current year	401	410	401	410
- (over)/underprovision in the previous financial years	-	-	-	-
	<u>401</u>	<u>410</u>	<u>401</u>	<u>410</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit/(loss) for the financial year/period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

**B7. Status of corporate proposals**

On 21 May 2019, the Company announced that the Company had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(f) of Practice Note 17 ("PN17") of the Listing Requirements of Bursa Malaysia as the Company's indirect wholly-owned subsidiary, KL101 Ltd had received a notice of demand on 17 May 2019 from EXIM Bank due to breach of terms in its facility agreement for failing to make instalment payments pursuant to Paragraph 9.19A of the Listing Requirements and the Company is unable to provide a solvency declaration to Bursa Malaysia. In accordance with PN17, the Company is required to submit a regularisation plan within twelve (12) months to Bursa Malaysia.

On 26 March 2020, Bursa Securities had provide extension of time for submission of regularisation plan by listed issuers for another twelve (12) months i.e. 17 May 2021 for those who had triggered the PN17 criteria between 02 January 2019 to 31 December 2020.

The Company is currently in the midst of formulating a new plan to regularise its financial conditions and will make further announcement once there is any development.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

**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**

The details of the Group's borrowings are as follows:-

Unaudited	Short term		Long term		Total borrowings	
	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)
<b>As at 30 September 2020</b>						
Secured:-						
- Term loans (RM)	-	-	-	-	-	-
- Term loan (USD) ^	44,052	183,192	-	-	44,052	183,192
- Hire Purchase (RM)	-	-	-	-	-	-
- Bank overdrafts (RM)	-	-	-	-	-	-
		<u>183,192</u>		<u>-</u>		<u>194,943</u>

Unaudited	Short term		Long term		Total borrowings	
	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)
<b>As at 30 September 2019</b>						
Secured:-						
- Term loans (RM)	-	25	-	-	-	25
- Term loan (USD) *	6,116	25,470	37,362	155,590	43,478	181,060
- Hire purchase (RM)	-	20	-	-	-	20
- Bank overdrafts (RM)	-	5,646	-	-	-	5,646
		<u>31,161</u>		<u>155,590</u>		<u>186,751</u>

Notes:-

^ - Converted at exchange rate of 4.1585 as at 30 September 2020

\* - Converted at exchange rate of 4.1644 as at 30 September 2019

All the borrowings' interest rates are based on floating interest rates except for the hire purchase which are based on fixed interest rates.

The bank overdrafts is mainly used to finance the Group's projects working capital purposes.

The term loan denominated in foreign currency was taken by a foreign subsidiary (Labuan subsidiary) which its functional and presentation currency is in United States Dollar ("USD"). Currently, the Group does not have any hedging policy for its financing denominated in foreign currency. However, the foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

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

**B9. Material litigation**

- a) On 8 July 2019, PBJV received a notification of suspension of license from Petroliam Nasional Berhad ("Petronas"). The letter from Petronas indicated that there was an adverse report from Petronas Carigali Sdn. Bhd. ("PCSB") pertaining to the non-performance of PBJV Group in relation to the contract referred to as "Provision for Underwater Services For PCSB" ("the Contract"). Resulting from that, Petronas has decided to suspend PBJV's license for a period of three (3) years with effect from the date of the letter.

The implication of the letter is that Petronas including its subsidiaries and any Petroleum Arrangement Contractors ("PACs") will not award any new contract to PBJV during the suspension period. PBJV will not be allowed to bid for new projects undertaken by Petronas including its subsidiaries and any PACs during the suspension period. Nevertheless, PBJV is still allowed to continue and complete its existing and on-going contracts with Petronas including its subsidiaries and PACs in accordance to the term and conditions of the respective existing and on-going contracts.

In response to this, on 5 August 2019, PBJV has issued a Notice of Demand and Dispute to both Petronas and PCSB where it disputes the validity of the suspension being issued without any legal justification nor compliance to procedures. The Contract has been successfully carried out and completed prior to the suspension. Upon completion of the Contract, positive appraisal was subsequently given by PCSB hence making the suspension unwarranted.

PBJV has demanded an amount of RM1.02 billion against Petronas and PCSB, among others, based on the loss of future profits, loss of reputation and loss of market shares prices.

On 25 September 2019, the Company and PBJV have jointly filed a Writ of Summons proceeding against Petronas and PCSB in the Kuala Lumpur High Court ("Writ"). The Writ proceeding filed cites that the suspension notice issued by Petronas was illegal, unjustified and unwarranted and aims for it to be annulled and invalidated.

The Defendants filed a Striking-out Application against the Plaintiff's suit. On 21 July 2020, the scheduled hearing for the RM1.02 billion demand was granted postponement by the Court due to Defendant's Solicitors engagement in other higher priority case. Hearing was later fixed on 21 September 2020 which was part-heard and the other part heard on 27 October 2020. The Court has scheduled the final hearing and the decision for the Striking-out Application to be delivered on 25 November 2020. The Court has scheduled the final hearing and the decision for the Striking-out Application to be delivered on 25 November 2020. The hearing date of 25 November was vacated. The Registrar had on 24 November 2020 via email instructed both parties to file skeletal submission. The next date hearing date shall only be fixed upon both parties providing both parties suitable date after filing of skeletal submission

- b) On 9 August 2019, the Company and PBJV have both received demand notices dated 8 August 2019 from PRPC Utilities and Facilities Sdn. Bhd. ("PRPC") for an amount of RM 85,203,274.96 on the basis that among others, PBJV has failed to fulfil all of its obligations under a contract referred to as "Utilities, Interconnecting, Offsite (UIO) Facilities: Procurement, Construction & Commissioning (PCC) of Underground Pressurised Non-Metallic Piping Firewater Network East Side" ("P14 Contract").

In relation to this, on 22 August 2019, the Company and PBJV have both issued a Notice of Reply to PRPC to dispute the claim. Concurrent to the Notice of Reply, PBJV has further issued a Notice of Demand dated 22 August 2019 to PRPC for an amount of RM6,579,806.74.

PBJV has, through its firm of Advocates & Solicitors, Messrs. Ram Reza & Muhammad, commenced a legal proceeding by filing a Writ of Summons on 12 September 2019 in the Kuala Lumpur High Court for RM 42,696,538.44 against PRPC. Macfeam Sdn. Bhd. has also been named as the Second Plaintiff in the said legal action.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

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

**B9. Material litigation (Cont'd)**

- c) On 12 February 2020, the Company has been served with Writ of Summons and Statement of Claim dated 7 February 2020 for an amount of RM85,203,274.96 by PRPC. It has been served to Company being the Parent Guarantor provided under a Contract referred to as "Utilities, Interconnecting, Offsite (UIO) Facilities: Procurement, Construction & Commissioning (PCC) of Underground Pressurised Non-Metallic Piping Firewater Network East Side" ("P14 Contract").

The Company has, through its firm of Advocates & Solicitors, Messrs. Ram Reza & Muhammad filed a Statement of Defense on 13 March 2020 to PRPC's summons and also filed a Counter Claim of RM 42,696,538.44 to PRPC on 24 April 2020 resting on the fact that any delay which has been alleged by PRPC, was triggered by PRPC's failure to pay PBJV's progress claim. The Court on 16 November 2020 had hearings for (Consolidation Application by Defendants) and (Striking Out Application by Plaintiff). However, due to time constraint faced by the Court, the Judge ordered the Parties to continue with the submissions for next hearing on 8 December 2020.

- d) On 17 May 2019, an indirect wholly-owned subsidiary of the Company, Kota Laksamana 101 Ltd ("KL101 Ltd"), had received a notice of demand from Messrs. Zain Megat & Murad, acting as solicitors for Export-Import Bank of Malaysia Berhad ("EXIM Bank"). The notice of demand was issued to notify that an event of default has occurred due to a breach of terms in its facility agreement for failing to make instalment payments.

On 22 August 2019, KL101 Ltd had received a second notice of demand dated 15 August 2019 from EXIM Bank's acting solicitors, Messrs. Zain Megat & Murad. An amount of USD3,859,201.39 has been stated in the demand for the outstanding instalment payments as at 2 August 2019.

On 22 October 2019, KL101 Ltd had received a notice of termination, recall and demand from Bank. Bank is now exercising its right to recall and /or terminate the Facility Agreements. An amount of USD43,589,775.92 as at 15 October 2019 has been stated in the notice being total amount due and owing by KL101 Ltd to Bank.

On 18 May 2020, the Company and its wholly-owned subsidiary, PBJV and KL101 Ltd, wholly owned subsidiary of PBJV been served a Writ of Summons and Statement of claim dated 17 April 2020 for an amount of USD43,789,997.91 by Bank. Next date for Case Management is now fixed on 30 November 2020 for Plaintiff to update Court on their stand/position whether or not to oppose Defendants' stay application.

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

On 28 November 2019, PBJV served a Notice of Arbitration to Petronas Gas Berhad (PGB) to claim for a sum of RM179,843,379.10. On 12 May 2020, both PBJV and PGB paid the Arbitration Advance Deposit.

The Arbitration Proceeding is pending further instruction of the newly appointed AIAC Director which appointment shall take effect on 1 December 2020.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

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

**B9. Material litigation (Cont'd)**

- f) On 7 November 2019, PBJV had received a Petition for Winding-up dated 25 October 2019 from Eureka Efektif Sdn. Bhd. ("Eureka") one of its creditors. An amount of RM1,706,471.40 as of 25 October 2019 has been stated in the said Petition being alleged total amount due and owing by PBJV to Eureka. PBJV has sought preliminary legal advice and will negotiate with the Petitioner towards proposal for settlement and/or opposing and challenging the petition.

On 18 May 2020, under Case Management in Court, the PBJV and the Petitioner are negotiating for amicable settlement. Court has fixed next date on 25 November 2020 as Case Management which was vacated. Court has fixed another date for Case Management on 6 January 2021.

- g) On 9 March 2020, PBJV received notification from its appointed solicitors that a Notice of Adjudication has been served on Petronas Gas Berhad ("PGB") on 28 February 2020 to claim the sum of RM6,848,129.48 on pre-commissioning works to replace the damage pipeline crossing at Sungai Layau under Global Settlement Agreement dated 12 April 2018 and Main Contract dated 21 April 2014 title "Procurement, Construction and Commissioning (PCC) of Pengerang Gas Pipeline Project. The said Notice of Adjudication was withdrawn on 15 June 2020 as PBJV decided to proceed with Winding Up proceeding.

On 30 June 2020 PBJV through its Advocates and Solicitors, Messrs Dinesh Praveen Nair filed a Winding-up Notice against PGB to claim the said sum of RM6,848,129.48 for PGB to pay the said sum to PBJV by 30 December 2020.

Upon being served with the Winding-up Notice on 30 June 2020 by PBJV, PGB filed Originating summons in Kuala Lumpur High Court (OS) against PBJV to seek leave from Court to file Fortuna Injunction application against PBJV. Hearing is fixed on 23 November 2020. Due to CMCO hearing was conducted via e-review. Court has fixed 09 December as the Decision date.

- h) On 22 September 2020, the Company with its wholly owned subsidiary, PBJV and Nik Hamdan Bin Daud ("NHD") (collectively referred to as Plaintiffs) have filed a Writ of Summons and Statement of Claim in the High Court of Kuala Lumpur against Samling Energy Sdn. Bhd., United Power Group Holdings Limited, Yaw Holding Sdn. Bhd., Samling Resources Sdn. Bhd., Chew Theam Hock, Yaw Teck Seng, Magnadrive Sdn. Bhd. ("Magnadrive") and Syarikat Samling Timber Sdn. Bhd. (Collectively referred to as "Defendants").

The Defendants are at the material time possess interest in Barakah due to key positions held in Barakah shareholding. By virtue of such position and having their representation in Barakah's Board of Directors, Defendants are under fiduciary duties to Barakah among others to protect the interest of the Company.

The Third Plaintiff signed the Consortium Agreement dated 29 November 2017 with one of the Defendants for the arrangement that the Defendants shall include the Third Plaintiff in the event the Defendants are awarded any contracts in Sarawak. Clause 6.1 of the Agreement further entails the parties' obligations to act in good faith and to disclose to each other any information that could impact their ability to perform their obligations.

However, the Defendants have breached the said Consortium Agreement by excluding the Third Plaintiff from participating in an Awarded contract referred to as "Term Contract of Civil Works Maintenance at Sabah Sarawak Gas Pipeline (SSGP) Area B" entered between the Defendants and Petronas GAS Berhad. Due to the Third Plaintiff being a wholly-owned subsidiary to the Second Plaintiff, the Plaintiffs altogether have suffered severe loss of income as a result of the Defendants' breach of the Agreement.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

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

**B9. Material litigation (Cont'd)**

On 23 September 2020, the Writ of Summons and Statement of Claim have been filed by its firms of Advocates & Solicitors, Messrs. Ram Reza & Muhammad for RM89,583,028.00 and other general damages, based on summarily on the following reasons:

- (i) Breach of fiduciary duties due to the internal information obtained by being part of the Board member of Barakah; and
- (ii) One of the Defendants breach of contract under the Consortium Agreement dated 29 November 2017 entered with one of the Plaintiffs.

The Case Management was fixed on 4 November 2020 at the Kuala Lumpur High Court with 1<sup>st</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> Defendant respectively to file a Statement of Defence and/or Striking-out Application on/or before 23 November 2020, and the Plaintiffs to effect the service to the 2<sup>nd</sup> Plaintiff on/or before 23 November 2020. The Court fixed the next Case Management to be on 23 November 2020. Case management fixed via e-Review wherein the outcome is as follows:-

- i) The Plaintiffs' Application to serve the Writ of Summons out of jurisdiction to D2 is allowed;
  - ii) D5 has entered appearance through its solicitor, Messrs Azman Davidson & Co and was directed to file its Statement of Defence on 14.12.2020. The Plaintiffs are to file its Reply to Defence on/or before 28.12.2020;
  - iii) D1, D3, D4, D6, D7 and D8 have collectively filed an Application to strike out Plaintiffs' claim. The Plaintiffs are to file Affidavit-in-Reply on/or before 04.12.2020;
  - iv) Hearing for the Striking Out Application is fixed before YA Puan Liza Chan Sow Keng is set on 29.01.2021 at the Kuala Lumpur High Court.
- i) On 3 November 2020, Company's wholly-owned subsidiary, PBJV has been served with a Notice of Arbitration from Petrofac (Malaysia-PM304) Limited ("Petrofac") for a sum of USD1,190,676.82 (approximately RM4,951,429.56\*).

Petrofac's claim of USD1,190,676.82 is related to the 'anchor dropping' incident on 6 November 2014 ("the Incident"), during the course of work of 'Contract No. PM/PR/C/12-001 – Provision of Hook Up, Commissioning and Topside Major Maintenance Services for the year 2013 to 2018' ("the Contract"), wherein PBJV is the contractor to Petrofac.

PBJV has then chartered the vessel known as "Armada Firman", through PBJV's subcontractor, Asian Kaliber Sdn Bhd ("Asian Kaliber"), to cater as an accommodation vessel for personnel involved in the commissioning works on Wellhead Platform CDW-B, CDW-C & FPSO Cendor. Based on representation made, Armada Firman is owned by Bumi Armada Navigation Sdn Bhd ("Bumi Armada").

The Incident had taken place due to the failure of Armada Firman's Master to follow established procedures during mooring operations and the miscommunication between Armada Firman's Master and Executive Pride's Master (which is Petrofac's); and

On the other hand, PBJV has, on 3 November 2020, served a Writ and Statement of Claim on Asian Kaliber and Bumi Armada under Kuala Lumpur High Court Civil Suit No. WA-27NCC-101-11/2020 for the said sum of USD1,190,676.82 (approximately RM4,951,429.56\*).

The Kuala Lumpur High Court has fixed the Case Management for the Writ Action on 16 November 2020 in which the Court instructed PBJV to file the application to add in Petrofac as a Defendant on or before 23 November 2020. The next Case Management by way of e-review is fixed on 24 November 2020.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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

**B10. Dividends**

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

**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 3 Months 30.09.2020	Unaudited Preceding year quarter 3 Months 30.09.2019	Unaudited Current year to date 3 Months 30.09.2020	Unaudited Preceding year to date 3 Months 30.09.2019
Profit/(Loss) attributable to the owners of the Company (RM'000)	2,938	(5,776)	2,938	(5,776)
Weighted average number of ordinary shares in issue ('000)	835,786	830,684	835,786	830,684
Basic earnings per share (sen)	(0.35)	(0.70)	(0.35)	(0.70)

(a) Diluted earnings per share

Diluted earnings per share is not computed as there is no outstanding potential ordinary shares to be issued as at the end of the reporting period.