

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2019

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 3 Months 30.06.2019 RM'000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM'000	Unaudited Current year to date 18 Months 30.06.2019 RM'000	Preceding year to date RM'000
Revenue	A9	61,853	59,164	355,537	-
Cost of sales		(161,489)	(68,403)	(479,124)	-
Gross loss		(99,636)	(9,239)	(123,587)	-
Other income		318	3,755	13,114	-
Administrative and other expenses		(165,075)	(6,603)	(229,525)	-
Finance costs		(3,501)	(3,259)	(20,461)	-
Loss before taxation	B5	(267,894)	(15,346)	(360,459)	-
Income tax expense	B6	(1,472)	(151)	(12,443)	-
Loss after taxation		(269,366)	(15,497)	(372,902)	-
Other comprehensive expenses					
Foreign currency translation		(3,620)	(2,287)	(3,786)	-
Other comprehensive expenses for the period		(3,620)	(2,287)	(3,786)	-
Total comprehensive expenses		(272,986)	(17,784)	(376,688)	-
Loss after tax attributable to:					
- Owners of the Company		(269,358)	(15,482)	(372,865)	-
- Non-controlling interests		(8)	(15)	(37)	-
		(269,366)	(15,497)	(372,902)	-
Total comprehensive expenses attributable to:					
- Owners of the Company		(272,977)	(17,764)	(376,649)	-
- Non-controlling interests		(9)	(20)	(39)	-
		(272,986)	(17,784)	(376,688)	-
Basic weighted average no. of ordinary shares ('000)		830,684	826,405	830,684	-
Earnings per share (sen):					
- Basic	B11(a)	(32.43)	(1.87)	(44.89)	-
- Diluted	B11(b)	(32.43)	(1.80)	(44.89)	-

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 31 December 2017 ("FYE 2017") and the accompanying explanatory notes attached to these interim financial statements.

Note : In view of the change in financial year end from 31 December 2018 to 30 June 2019, there were no financial information available for the 18 months financial period end to 30 June 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30  
JUNE 2019

	Note	Unaudited As at 30.06.2019 RM'000	Audited As at 31.12.2017 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment		107,149	297,447
<b>CURRENT ASSETS</b>			
Inventories		5,611	5,154
Trade receivables		38,174	61,791
Other receivables, deposits and prepayments		3,573	12,041
Current tax assets		27,039	42,966
Short-term investments		5,186	136
Fixed deposits with licensed banks		53,385	102,709
Cash and bank balances		29,816	29,205
		162,784	254,002
<b>TOTAL ASSETS</b>		<b>269,933</b>	<b>551,449</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		231,889	165,329
Share premium		-	64,070
Merger deficit		(71,909)	(71,909)
Employees' share option reserves		-	6,407
Redeemable convertible unsecured loan stocks ("RCULS")		-	539
Foreign exchange translation reserves		6,910	10,694
(Accumulated losses)/Retained profits		(345,267)	28,185
Equity attributable to owners of the Company		(178,377)	203,315
Non-controlling interest		(111)	(72)
<b>TOTAL EQUITY</b>		<b>(178,488)</b>	<b>203,243</b>

*The rest of this page is intentionally left blank*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30  
JUNE 2019 (CONT'D)

	Note	Unaudited As at 30.06.2019 RM'000	Audited As at 31.12.2017 RM'000
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		22	50
Long-term borrowings	B8	152,190	169,442
RCULS		-	1,763
		<hr/>	<hr/>
		152,212	171,255
<b>CURRENT LIABILITIES</b>			
Trade payables		257,304	119,791
Other payables and accruals		4,977	2,970
Amount due to a director		2	-
Short-term borrowings	B8	24,985	38,529
Bank overdrafts	B8	8,941	15,661
		<hr/>	<hr/>
		296,209	176,951
<b>TOTAL LIABILITIES</b>		<hr/>	<hr/>
		448,421	348,206
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/>	<hr/>
		<b>269,933</b>	<b>551,449</b>
Net asset per share (sen)		<hr/>	<hr/>
		(21.47)	24.63

*The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 2017 and the accompanying explanatory notes attached to these interim financial statements.*

***The rest of this page is intentionally left blank***

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2019**

	<b>Unaudited Current year to date 18 Months 30.06.2019 RM'000</b>	<b>Audited Preceding year to date 12 Months 31.12.2017 RM'000</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(360,459)	(216,729)
Adjustments for:-		
Depreciation of property, plant and equipment	32,320	28,198
Interest expense	20,247	14,338
Interest income	(3,227)	(3,611)
Unrealised (gain)/loss on foreign exchange	(2,076)	9,995
Write back of impairment loss on receivables no longer required	(5,232)	(37)
Net gain on disposal of property, plant and equipment	(1,752)	(4)
Property, plant and equipment written off	957	1,113
Bad debt written off	353	-
Impairment loss on property, plant and equipment	156,946	43,762
Impairment loss on goodwill	-	20
	<hr/>	<hr/>
Operating loss before working capital changes	(161,923)	(122,955)
(Increase)/Decrease in inventories	(457)	5,325
Decrease in trade and other receivables	29,970	64,172
Increase/(Decrease) in trade and other payables	145,728	(13,900)
	<hr/>	<hr/>
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>13,318</b>	<b>(67,358)</b>
Interest paid	(16,223)	(14,076)
Interest received	3,227	3,611
Net income tax (paid)/refund	(645)	5,995
	<hr/>	<hr/>
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(323)</b>	<b>(71,828)</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(957)	(2,707)
Proceeds from disposal of property, plant and equipment	2,400	4
Decrease in pledged fixed deposits with licensed banks	45,772	12,981
Acquisition of subsidiaries, net of cash and cash equivalents	-	1
	<hr/>	<hr/>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>47,215</b>	<b>10,279</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Drawdown of trust receipts	75,412	123,872
Repayment of term loans	(3,613)	(15,290)
Repayment of trust receipts	(109,403)	(135,723)
Repayment of hire purchase obligations	(456)	(577)
Advance from/(Repayment to) a director	2	(18)
	<hr/>	<hr/>
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(38,058)</b>	<b>(27,736)</b>
	<hr/>	<hr/>
<b>NET DECREASE OF CASH AND CASH EQUIVALENTS/BALANCE CARRIED FORWARD</b>	<b>8,834</b>	<b>(89,285)</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER  
ENDED 30 JUNE 2019 (CONT'D)

	Unaudited Current year to date 18 Months 30.06.2019 RM'000	Audited Preceding year to date 12 Months 31.12.2017 RM'000
NET DECREASE OF CASH AND CASH EQUIVALENTS/BALANCE BROUGHT FORWARD	8,834	(89,285)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(5)	(643)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	17,475	107,403
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>26,304</u>	<u>17,475</u>
Cash and cash equivalents comprise the following:		
- Short-term investments	5,186	136
- Fixed deposits with licensed banks	53,385	102,709
- Cash and bank balances	29,816	29,205
- Bank overdrafts	(8,941)	(15,661)
	<u>79,446</u>	<u>116,389</u>
Less: Fixed deposits pledged to licensed banks	(53,142)	(98,914)
	<u>26,304</u>	<u>17,475</u>

*The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 2017 and the accompanying explanatory notes attached to these interim financial statements.*

***The rest of this page is intentionally left blank***

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2019

Unaudited	Note	----- Attributable to owners of the Company -----						Distributable (Accumulated Losses) /Retained Profits RM'000	Total RM'000	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	Foreign Exchange Translation Reserve RM'000				
Balance at 01.01.2018, as previously reported		165,329	64,070	(71,909)	6,407	539	10,694	28,185	203,315	(72)	203,243
- Effect of adoption of MFRS 9	A1	-	-	-	-	-	-	(6,994)	(6,994)	-	(6,994)
Balance at 01.01.2018 (Restated)		165,329	64,070	(71,909)	6,407	539	10,694	21,191	196,321	(72)	196,249
Loss after taxation		-	-	-	-	-	-	(372,865)	(372,865)	(37)	(372,902)
Other comprehensive expenses for the financial period, net of taxation:											
- Foreign currency translation		-	-	-	-	-	(3,784)	-	(3,784)	(2)	(3,786)
Total comprehensive expenses		-	-	-	-	-	(3,784)	(372,865)	(376,649)	(39)	(376,688)
Contributions by owners of the Company:											
Issuance of shares pursuant to conversion of RCULS		2,490	-	-	-	(539)	-	-	1,951	-	1,951
Employees' share option:											
- Forfeited/Lapsed		-	-	-	(6,407)	-	-	6,407	-	-	-
Adjustments for effects of Companies Act 2016 (Note 1)		64,070	(64,070)	-	-	-	-	-	-	-	-
Total transactions with owners		66,560	(64,070)	-	(6,407)	(539)	-	6,407	1,951	-	1,951
Balance at 30.06.2019		231,889	-	(71,909)	-	-	6,910	(345,267)	(178,377)	(111)	(178,488)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2019 (CONT'D)

	----- Attributable to owners of the Company -----						Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	-----Non-distributable-----			Distributable						
Audited	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 RM'000				
Balance at 01.01.2017	165,033	64,070	(71,909)	6,680	610	14,567	244,616	423,667	(31)	423,636
Loss after taxation	-	-	-	-	-	-	(216,704)	(216,704)	(50)	(216,754)
Other comprehensive income for the financial year:										
- Foreign currency translation differences	-	-	-	-	-	(3,873)	-	(3,873)	9	(3,864)
Total comprehensive income for the financial year	-	-	-	-	-	(3,873)	(216,704)	(220,577)	(41)	(220,618)
Contributions by owners of the Company:										
Issuance of shares pursuant to conversion of RCULS	296	-	-	-	(71)	-	-	225	-	225
Employees' share option:										
- Forfeited/Lapsed	-	-	-	(273)	-	-	273	-	-	-
Total transactions with owners	296	-	-	(273)	(71)	-	273	225	-	225
Balance at 31.12.2017	165,329	64,070	(71,909)	6,407	539	10,694	28,185	203,315	(72)	203,243

Note 1 : The credit standing in the share premium account has been consolidated into the share capital account following the expiration of the transitional period as set out in Section 618(3) of the Companies Act 2016.

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 2017 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

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 year ended 31 December 2017.

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

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Translations and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140: Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 - 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above standard(s) and/or interpretation(s) will not have any material impact on the financial statements of the Group upon their initial application except as follows:-

• **MFRS 9 Financial Instruments**

The Group adopted MFRS 9 *Financial Instruments* on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (“ECL”) model. Under MFRS 9, loss allowances will be measured on 12 months ECLs or Lifetime ECLs.

As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives. Adjustment arising from the initial application of the new impairment model has been recognised in the opening balance of the retained profits and the carrying amount of the financial assets as at 1 January 2018, as disclosed below:-

	<b>Impact of adoption of MFRS 9 to opening balance at 1 January 2018 RM’000</b>
Decrease in retained profits	6,994
Decrease in trade receivables	(5,434)
Decrease in other receivables and deposits	(1,560)
	<hr/> <hr/>



QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

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

**A1. Accounting policies and methods of computation (Cont’d)**

• **MFRS 15 Revenue from Contracts with Customers**

The Group adopted MFRS 15 *Revenue from Contracts with Customers* on 1 January 2018. MFRS 15 replaces the guidance in MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretations. MFRS 15 provides a single comprehensive model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations.

The initial application of MFRS 15 did not have any significant impact on the Group’s consolidated financial statements.

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:-

**MFRSs and IC Interpretations (Including The Consequential Amendments)**

	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

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

The auditors have expressed an unqualified opinion on the financial statement for the financial year ended 31 December 2017 (“FYE 2017”). However, the auditors draw attention to the material uncertainty related to going concern which related to the Group incurred a loss after tax for the financial year of RM216,754,000 and negative operating cash flow of RM71,828,000 for FYE 2017 and fixed deposits amounting to RM102,709,000 with licensed banks as at 31 December 2017. The Group’s borrowings that are due for repayment in the next 12 months amounted to RM38,529,000 as at 31 December 2017. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern. Accordingly, the ability of the Group to continue as a going concern is dependent on the Group to generate sufficient cash flows from its operations as forecasted, the partial release of the Group’s fixed deposits pledged as security for certain banking facilities and the recoverability of current tax assets.

There has been no material development since 31 March 2019.

The Group continues to bid for new projects, pursue the partial release of the Group’s fixed deposits pledged and refund from the overpayment of tax.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

**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 for the Group during the current quarter and financial year-to-date other than the following:-

- The net gain on disposal of property, plant and equipment of RM1.75 million as a result of the disposal of the Group’s building, machinery and equipment during the second and third quarter of the current financial period;
- the full, final and complete settlement of claim by CPM Construction Sdn. Bhd. of RM17 million as disclosed in Note A15(e); and
- impairment loss on property, plant and equipment of RM156.95 million arising from the revaluation of the Group’s pipe laying barge.

**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.

**A7. Dividends paid**

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

**A8. 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 JUNE 2019

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

A9. Revenue

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 30.06.2019 RM’000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM’000	Unaudited Current year to date 18 Months 30.06.2019 RM’000	Preceding year to date RM’000
Pipeline and commissioning services (“PCS”); and	43,989	31,029	186,943	-
Installation and construction services (“ICS”)	17,864	28,135	168,594	-
	61,853	59,164	355,537	-

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 period are from non-related parties. The Group’s average credit terms granted to trade receivables range from 60 to 90 days (2017 - 60 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

A10. Valuation of property, plant and equipment

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

The Group had carried out a valuation on its pipe laying barge during the current quarter which resulted in an impairment loss of RM156.95 million being recognised in the current quarter.

A11. Capital commitments

	As at 30.06.2019 RM’000
<b>Property, plant and equipment:-</b>	
Approved and contracted for	625

A12. 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 other than as mentioned below:-

- PBJV Gulf Co. Ltd (“PBJV Gulf”), an 85% indirect subsidiary of the Company duly established under the laws of the Kingdom of Saudi Arabia had commenced the members’ voluntary liquidation and appointed Rami K. Al-Khedher as the liquidator of PBJV Gulf.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

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

A13. Contingent liabilities and contingent assets

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

	<b>As at 30.06.2019 RM’000</b>
<b><u>Unsecured</u></b>	
Bank guarantees extended to clients	18,974

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

A14. Material events during the quarter

- (a) On 16 October 2018, the Company and its 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 the Company and PBJV (“Restraining Order”) except with leave of Court and subject to any terms that the Court may impose.

The Restraining Order commenced on 16 October 2018 for a period of 90 days up to 14 January 2019.

The Restraining Order was applied for as part of proactive measure by the Company to manage the debt levels of the Group and of the Company, and the Restraining Order allows the Group to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against the Group.

On 6 March 2019, during the hearing for the appeal for the renewal of the Restraining Order application, the Court had granted, amongst others, the following:-

- i) the Restraining Order to be extended for a further period of 90 days commencing from 14 January 2019 up to 14 April 2019;
- ii) contingent creditors be expressly excluded from the Restraining Order; and
- iii) Encik Sulaiman bin Ibrahim be approved to act as director of the Company pursuant to Section 368(2)(d) of the Act.

On 22 April 2019, the Court had granted an extension of time to convene the creditor’s meeting for a further 90 days. However, the Court had decided to set aside the Restraining Order.

On 29 May 2019, the Court had granted PBJV a fresh Restraining Order commencing from 29 May 2019 for a period of 55 days up to 22 July 2019.

- (b) 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.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

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

**A14. Material events during the quarter (Cont’d)**

(c) 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.

(d) On 21 May 2019, the Company announced that pursuant to Paragraph 9.19(46) and Part H of Appendix 9A of the Listing Requirements of Bursa Malaysia, the Board of Directors had approved the incorporation of the revaluation deficit of approximately USD39 million in the Group’s consolidated financial statements for the financial period ending 31 May 2019.

The revaluation was carried out on the Group’s pipe laying barge which was conducted by Maphilindo-Insight Sdn Bhd. The valuation was carried out as one of the proactive measures taken by the Group to manage and restructure the Group’s debt levels and to ascertain the fair value of the Group’s non-current assets for accounting purposes pursuant to MFRS 116 *“Property, Plant and Equipment”*.

(e) On 24 May 2019, PBJV had entered into a Settlement Agreement with CPM Construction Sdn. Bhd. (“CPM”) so as to give effect to the full, final and complete settlement of all disputes and claims between PBJV and CPM. The details of the said claim is as disclosed in Note B9(b).

There are no other material events during the current quarter that have not been reflected in the financial statements for the current quarter and financial period-to-date.

**A15. Material events subsequent to the end of the quarter**

(a) On 8 July 2019, PBJV received a notification of suspension of PBJV’s 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 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, reputation and market shares prices.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

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

**A15. Material events subsequent to the end of the quarter (Cont’d)**

- (b) On 8 August 2019, the Company and PBJV have both received demand notices from PRPC Utilities and Facilities Sdn Bhd (“PRPC”) for an amount of RM85,203,274.96 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 Pressurized 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 the amount of RM6,579,806.74.

- (c) On 22 August 2019, KL101 Ltd had received a second (2<sup>nd</sup>) 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.

There are no other 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 period-to-date.

**A16. Significant related party transactions**

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 30.06.2019 RM’000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM’000	Unaudited Current year to date 18 Months 30.06.2019 RM’000	Preceding year to date RM’000
<b>Company in which certain Directors have interest</b>				
Purchases paid/payable	-	8,454	29,458	-
Rental of premises paid/payable	130	390	2,080	-
Rental of yard paid/payable	5	15	80	-
Donations *	60	60	360	-

\* 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 102 children from preschool to secondary school.

The donation is a related party transaction (“RPT”) by virtue of Haniza binti Jaffar, the deputy chairman of RKHPJ, who is also a key management of the Group.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

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

**A17. Impairment of property, plant and equipment**

The Group recognised an impairment loss of RM156.95 million during the current quarter as disclosed in Note A10 above.

**A18. Change of financial year end**

On 6 December 2018, the Board of Directors had approved the change in the financial year end of the Group and the Company from 31 December to 30 June. Thus, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2018 to 30 June 2019. Thereafter, the financial year end shall be on 30 June for each subsequent year.

*The rest of this page is intentionally left blank*

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

**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 30.06.2019 RM'000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM'000	Variance		Unaudited Current year to date 18 Months 30.06.2019 RM'000	Preceding year to date RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	61,853	59,164	(2,689)	(5%)	355,537	-	-	-
EBITDA ^	(260,140)	(6,198)	(253,942)	(4,097%)	(311,118)	-	-	-
Loss before taxation	(267,894)	(15,346)	(252,548)	(1,646%)	(360,459)	-	-	-
Loss after taxation	(269,366)	(15,497)	(253,869)	(1,638%)	(372,902)	-	-	-
Loss after taxation attributable to owners of the Company	(269,358)	(15,482)	(253,876)	(1,640%)	(372,865)	-	-	-

Note:-

^ - EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share options to employees.

The Group reported a total revenue of RM355.54 million during the current financial period ended 30 June 2019, with RM61.85 million generated during the current period. This is a deduction of 5% compared to the corresponding quarter of the preceding year. The Group had also reported a higher loss before taxation of RM267.89 million for the current quarter which is an increase of RM252.55 million from the corresponding quarter of the preceding year. The decrease in revenue was mainly due to lower revenue generated by the Installation and construction services ("ICS").

	----- Individual Quarter -----				----- Cumulative Quarter -----			
	Unaudited Current year quarter 3 Months 30.06.2019 RM'000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM'000	Variance		Unaudited Current year to date 18 Months 30.06.2019 RM'000	Preceding year to date RM'000	Variance	
			RM'000	%			RM'000	%
PCS	43,989	31,029	12,960	42%	186,943	-	-	-
ICS	17,864	28,135	(10,271)	(37%)	168,594	-	-	-
	61,853	59,164			355,537	-	-	-



QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

**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")

During the financial period ended 30 June 2019, PCS generated a total revenue of RM186.94 million, out of which RM43.99 million was generated during the current quarter. This is an increase of 42% from the corresponding quarter of the preceding year, as a result of continuous work orders received for the Pan Malaysia Maintenance, Construction and Modification ("PM-MCM") contracts, which commenced since mid of 2018.

Installation and construction services ("ICS")

ICS contributed 47.42% to the overall total revenue generated during the current financial period ended 30 June 2019 of RM168.59 million, with RM17.86 million being generated during the current quarter. This is a decrease of 37% from the corresponding quarter of the preceding year due to the lower progress billings issued for the Engineering, Procurement, Construction and Commissioning activities and Underwater Services.

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

	<b>Unaudited Current year quarter 3 Months 30.06.2019 RM'000</b>	<b>Unaudited Immediate preceding quarter 3 Months 31.03.2019 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	61,853	50,431	11,422	23%
EBITDA ^	(260,140)	(34,496)	(225,644)	(654%)
Loss before taxation	(267,894)	(41,469)	(226,425)	(546%)
Loss after taxation	(269,366)	(41,927)	(227,439)	(542%)
Loss after taxation attributable to owners of the Company	(269,358)	(41,926)	(227,432)	(542%)

Note:-

^ - EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share options to employees.

The Group reported a higher revenue by 23% during the current quarter ended 30 June 2019 compared with the immediate preceding quarter. However, the loss before taxation increased by 546% in the current quarter ended 30 June 2019 compared with the immediate preceding quarter. The increase in revenue was mainly due to the higher progress billings issued for the PM-MCM contracts while the increase in loss before tax was mainly due to the impairment loss recognised as a result of the revaluation of the Group's pipe laying barge, as disclosed in Note A4 above.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

**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 recovery of the oil and gas prices seems to be a bit stabilise; however, the industry remains challenging as not many projects are being roll out yet by the industry's key players.

With the current issues on Petronas Licensing, the Group is taking steps to venture into international markets and also into none oil and gas related industries. To be in a better footing, the Group is planning to undertake a new proposed regularisation plan.

Nevertheless, the Group still has on hand several contracts which runs until the next couple of years and as of 30 June 2019, the Group's outstanding order book stands at approximately RM514 million.

The Company will make announcement when there are any further developments.

**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.

*The rest of this page is intentionally left blank*

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

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

**B5. Loss before taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.06.2019 RM'000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM'000	Unaudited Current year to date 18 Months 30.06.2019 RM'000	Preceding year to date RM'000
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	(452)	(536)	(3,132)	-
- cash and bank balances	-	(1)	(95)	-
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdraft	394	247	1,614	-
- hire purchase	1	5	19	-
- term loans	2,835	2,499	15,987	-
- bank guarantee/trust receipts	222	381	2,391	-
- RCULS	-	87	236	-
Depreciation of property, plant and equipment	4,753	6,466	32,320	-
Realised gain on foreign exchange	1	(51)	(95)	-
Unrealised (gain)/loss on foreign exchange	(13)	(5,192)	(2,076)	-
Write back of impairment loss on receivables no longer required	-	(1,089)	(5,232)	-
Net gain on disposal of property, plant and equipment	-	(2,001)	(1,752)	-
Property, plant and equipment written off	117	-	957	-
Bad debt written off	11	-	353	-
Impairment loss on property, plant and equipment	156,946	-	156,946	-
Impairment loss on receivables	268	-	-	-

Except for those disclosed above, there were:-

- 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 JUNE 2019

**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 30.06.2019 RM'000	Unaudited Preceding year quarter 3 Months 30.06.2018 RM'000	Unaudited Current year to date 18 Months 30.06.2019 RM'000	Preceding year to date  RM'000
Current tax:				
- for the current year	1,472	152	2,483	-
- under provision in the previous financial years	-	-	9,981	-
	<u>1,472</u>	<u>152</u>	<u>12,464</u>	<u>-</u>
Deferred tax expense				
- for the current year	-	(1)	(21)	-
	<u>-</u>	<u>(1)</u>	<u>(21)</u>	<u>-</u>
	<u>1,472</u>	<u>151</u>	<u>12,443</u>	<u>-</u>

Despite the Group's consolidated losses for the current financial period ended 30 June 2019, the Group still incurs current year income tax expense as a couple of companies within the Group were profitable and as such are in a tax payable position.

The under provision of income tax expense in the previous financial years was as a result of the additional tax assessment for the years of assessment 2011 to 2016 that was served by the Inland Revenue Board of Malaysia ("IRB") on 1 November 2018. The additional income tax was imposed by IRB due to the disallowable of certain expenses.

**B7. Status of corporate proposals**

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this announcement.

On 8 July 2019, the Company made a requisite announcement pursuant to Paragraph 4.2(a) of PN17, which sets out the Company's Proposed Regularisation Plan comprising the following proposals to regularise its financial condition:-

- (a) Proposed reduction of the issued share capital of Barakah pursuant to Section 116 of the Companies Act 2016 ("**Proposed Share Capital Reduction**");
- (b) Proposed disposal of a pipelay barge, which is a marine vessel that is primarily used for the laying of pipes underwater owned by KL101 ("Pipe Lay Barge") to Lecca Group Pte Ltd ("Lecca") for a total cash consideration of USD21.00 million ("**Proposed Disposal**");

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

**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 (Cont'd)**

- (c) Proposed placement to (i) Lecca and such persons as may be informed by Lecca in writing and as agreed to by Barakah ("Placement Investor") of 375,000,000 new ordinary shares in Barakah ("Barakah Shares") ("Tranche 1 Placement Shares"), at an issue price of RM0.04 per Tranche 1 Placement Share, together with RM25.00 million in nominal value of five (5) year 10% redeemable convertible unsecured loan stocks at 100% of its nominal value of RM0.04 each ("RCULS-B") on the basis of five (5) RCULS-B for every three (3) Tranche 1 Placement Shares subscribed ("*Proposed Placement Tranche 1*") and (ii) the option to Lecca to subscribe for up to 250,000,000 new Barakah Shares ("Tranche 2 Placement Shares") at an exercise price of RM0.04 per Barakah Share at any time over a five (5) year period from the date of the completion of the Subscription Agreement (as defined herein) ("*Proposed Placement Tranche 2*") ("**Proposed Placement**");
- (d) Proposed debt settlement involving (i) a waiver of debt of approximately RM153.99 million owing to the scheme creditors of Barakah and PBJV; (ii) cash payment of RM32.00 million; (iii) the issuance of RM33.00 million in nominal value of five (5) year 3% redeemable convertible unsecured loan stocks at 100% of its nominal value of RM0.04 each ("RCULS-A") and (iv) the issuance of RM69.00 million in nominal value of five (5) year 5% redeemable unsecured loan stocks at 100% of its nominal value of RM1.00 each ("RULS") to the scheme creditors ("**Proposed Debt Settlement**"); and
- (e) Proposed exemption under paragraph 4.08(1)(c) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules") for Lecca and its persons acting in concert ("PACS") from the obligation to undertake a mandatory offer for all the remaining ordinary shares and convertible securities in Barakah not already owned by them after the Proposed Placement ("**Proposed Exemption**").

Item (a) to (e) above are collectively referred to as the "**Proposed Regularisation Plan**".

On 9 July 2019, the Company announced that the Court Convened Meetings ("CCMs") of the scheme creditors of Barakah and PBJV ("Scheme Creditors") will be held on 31 July 2019 to obtain the Scheme Creditors' approval on the Proposed Debt Settlement.

On 31 July 2019, the Company announced that the CCMs were convened on 31 July 2019. At the said CCMs, the Company informed the Scheme Creditors that due to the suspension letter issued by Petronas, as disclosed in Note A15(a), notifying the suspension of PBJV's license, this had made it challenging for the Company to implement the Proposed Regularisation Plan. In view of the same, the Company decided not to proceed with the Proposed Regularisation Plan and the Proposed Debt Settlement was not put to vote by the Scheme Creditors in the respective CCMs.

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 JUNE 2019

**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 June 2019</b>						
Secured:-						
- Term loans (RM)	-	39	-	-	-	39
- Term loan (USD) ^	6,016	24,918	36,743	152,190	42,759	177,108
- Hire purchase (RM)	-	28	-	-	-	28
- Bank overdrafts (RM)	-	8,941	-	-	-	8,941
		<u>33,926</u>		<u>152,190</u>		<u>186,116</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 June 2018</b>						
Secured:-						
- Term loans (RM)	-	359	-	413	-	772
- Term loan (USD) *	577	2,330	41,566	167,866	42,143	170,196
- Hire purchase (RM)	-	150	-	187	-	337
- Trust receipt (RM)	-	34,499	-	-	-	34,499
- Bank overdrafts (RM)	-	10,904	-	-	-	10,904
		<u>48,242</u>		<u>168,466</u>		<u>216,708</u>

Notes:-

^ - Converted at exchange rate of 4.1420 as at 30 June 2019

\* - Converted at exchange rate of 4.0385 as at 30 June 2018

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

The trust receipt and bank overdrafts are 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 JUNE 2019

**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) Claim by Mersing Construction & Engineering Sdn. Bhd. (“Mersing”)

i) Enforcement of Adjudication Decision

On 28 August 2018, a wholly-owned subsidiary of the Company, PBJV” is facing a civil suit at High Court of Malaya at Shah Alam in respect of a claim by Mersing against PBJV for a sum of RM13,275,867.96.

Mersing was a subcontractor appointed by PBJV for part of the scope of the Pengerang Gas Pipeline Project. The claim submitted by Mersing was for RM2,503,655.27 for the balance of the progress claim for the subcontract work and RM10,772,212.69 for variation order work. The claim is disputed by PBJV.

Submission of application to set aside adjudicator decision and stay of execution had been submitted on 19 September 2018 by PBJV. Court had fixed to deliver the decision on setting aside to be fixed on 16 October 2018 and the court had dismissed PBJV application for setting aside. PBJV had filed a notice of appeal to the court.

On the other note, PBJV has applied for stay pending disposal of PBJV Appeal for setting aside. Next case management is fixed on 12 March 2019. Hearing for the stay application is fixed on 14th of March 2019.

As disclosed in Note A14, the Company had obtained a Restraining Order effective from 16 October 2018 restraining all proceedings and actions brought against the Company and as such, this case is put on hold. The Restraining Order had expired on 14 January 2019 and the appeal for renewal of the Restraining Order was heard on 6 March 2019.

On 29 May 2019, the Court has granted PBJV a fresh Restraining Order commencing from 29 May 2019 for a period of 55 days up to 22 July 2019.

ii) Garnishee Order to Show Cause

On 28 February 2019, Mersing filed and obtained a garnishee order to show cause on 18 May 2019 on PBJV’s bankers and clients, 19 Garnishees for a total sum of RM14,500,283.65 (Adjudication sum plus interest and costs) This amount is principally derived from the Adjudicator decision pursuant to Note B9 (a)(i) above.

On 15 May 2019, PBJV made an application to stay of execution of Adjudication Order pending disposal of PBJV appeal to the Court of Appeal. The Court has fixed 27 June 2019 to hear the application.

On 18 May 2019, PBJV made an application to the Courts (i) to set aside the Garnishee Order to Show cause and (ii) to oppose Mersing application for Garnishee Order to show cause and the granting of Garnishee Order Absolute. The Court has fixed 11 June 2019 to hear PBJV application.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

**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)**

(a) Claim by Mersing Construction & Engineering Sdn. Bhd. ("Mersing") (Cont'd)

ii) Garnishee Order to Show Cause (Cont'd)

However, on 16 June 2019, and pursuant to the Restraining Order granted by Kuala Lumpur High Court the Court, PBJV Solicitors requested for the hearing date to be replaced as only case management for the parties to obtain a new hearing date to be fixed after the expiry of the Restraining Order, which is 22 July 2019. The Court then fixed 18 August 2019 as the next case Management has been fixed for 18 August 2019.

On 15 August 2019, the Court has fixed a new Case Management date on 19 September 2019.

The Court also made following directions to all relevant parties to submit Enclosure 14 which consists of the following:

- (a) Mersing to file and serve Affidavit in reply to PBJV by 19 August 2019
- (b) PBJV to file and serve Affidavit in reply to Mersing Affidavit by 26 August 2019
- (c) Mersing and PBJV to file and serve their main submission simultaneously by 3 September 2019
- (d) Mersing and PBJV to file and serve their reply submission simultaneously by 10 September 2019.
- (e) Hearing date for Enclosure 14 has now been fixed on 12 September 2019; and
- (f) The Court has made it clear that it will not proceed with the decision on the hearing date. The decision will be fixed after the parties have submitted on their case.

iii) Civil Suit

On the other hand, PBJV had also filed for a civil suit against Mersing for a total sum of RM41,658,233.63 for the additional cost impact to the project that PBJV claimed was caused by Mersing. Mersing raised an objection and requested that the case be referred to Arbitration in accordance with the provision of the subcontract agreement.

On 25 September 2018, the Court has sought parties' clarification and requires further time in order to deliver its decision and therefore another date is fixed by the Court on 16 October 2018 for decision on the case.

On 9 May 2019, the Court order that the dispute be referred to Arbitration.



**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

**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)**

(b) Claim by CPM Construction Sdn. Bhd. ("CPM")

On 19 September 2018, PBJV was served with a Writ of Summons filed by CPM and this matter had been fixed for case management by the High Court of Shah Alam on 25 October 2018.

CPM is a Consortium Member jointly with PBJV ("PBJV-CPM Consortium") to undertake the Procurement, Construction and Commissioning ("PCC") of Pengerang Gas Pipeline Project at Johore Darul Takzim for Petronas Gas Berhad. The claim submitted by CPM is for:-

- i) the sum of RM15,573,427.78 for alleged variation works and claim for alleged loss and expense purportedly incurred by CPM under the PBJV-CPM Consortium matrix of responsibility;
- ii) interest of 5% per annum on the above sum (or any amount to be determined by the Court) from the date of this action until full payment;
- iii) costs; and
- iv) such further and/or other reliefs that the Court deems fit and proper.

On 5 November 2018, PBJV had received a Writ of Summons where CPM had revised their earlier claim to be as follows:-

- i) the sum of RM5,913,886.28 for alleged variation works;
- ii) the sum of RM36,493,455.06 for alleged loss and damage purportedly incurred by CPM for purported delay and/or disruption of work;
- iii) interest at the rate of 5% per annum on the sum of RM42,407,341.34 (or such other sums as may be assessed by Court) from such date as the Court thinks fit until the date of Judgement;
- iv) interest at the rate of 5% per annum on the sum of RM42,407,341.34 (or such other sums as may be assessed by Court) from the date of Judgement until the date of full and final settlement;
- v) costs; and
- vi) such further and other relief which is deemed fit and proper by the Court.

The above claims are disputed by PBJV. PBJV has taken legal steps necessary to defend against this claim.

Case Management for the suit was fixed on 27 March 2019.

PBJV had also applied for Stay Pending Arbitration. Hearing was adjourned to 17 July 2019 for the Stay application.

On 24 May 2019, PBJV has entered into a Settlement Agreement with CPM so as to give effect to the full, final and complete settlement of all disputes and claims between PBJV and CPM.

On 14 June 2019, CPM filed a notice of discontinuance without any order as to cost.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019

**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) Claim by Export-Import Bank of Malaysia Berhad ("EXIM Bank")

On 22 August 2019, KL101 had received a Notice of demand dated 15 August 2019 (2nd Notice of demand) from EXIM Bank. An amount of USD3,859,201.39 has been stated in the demand for outstanding instalment payments as at 2 August 2019.

The Company is still in the midst of formulating a plan to regularise its financial condition that will include proposals to address this default.

There were no other material litigations pending as at the date of this announcement.

**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 30.06.2019	Unaudited Preceding year quarter 3 Months 30.06.2018	Unaudited Current year to date 18 Months 30.06.2019	Preceding year to date
Loss attributable to the owners of the Company (RM'000)	(269,358)	(15,482)	(372,865)	-
Weighted average number of ordinary shares in issue ('000)	830,684	826,405	830,684	-
Basic earnings per share (sen)	(32.43)	(1.87)	(44.89)	-

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2019**

**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 3 Months 30.06.2019	Unaudited Preceding year quarter 3 Months 30.06.2018	Unaudited Current year to date 18 Months 30.06.2019	Preceding year to date
Loss attributable to the owners of the Company (RM'000)	(269,358)	(15,482)	(372,865)	-
Weighted average number of ordinary shares in issue ('000) (Basic)	830,684	826,405	830,684	-
Effect of dilution from share options granted to employees ('000)	-	23,434	-	-
Effect of conversion of RCULS ('000)	-	9,381	-	-
	830,684	859,220	830,684	-
Diluted earnings per share (sen)	(32.43)	(1.80)	(44.89)	-