

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 30.09.2014 RM'000	Unaudited Preceding year quarter 30.09.2013 RM'000	Unaudited Current year to date 30.09.2014 RM'000	Audited Preceding year to date 30.09.2013 RM'000
Revenue	256,041	87,116	582,935	298,901
Cost of sales	(188,182)	(46,493)	(419,067)	(175,746)
Gross profit	67,859	40,623	163,868	123,155
Other income	767	302	6,409	1,466
Administrative and other expenses	(26,891)	(14,431)	(78,886)	(47,081)
Finance costs	(7,138)	(4,767)	(22,313)	(19,919)
Profit before taxation	34,597	21,727	69,078	57,621
Taxation	(6,193)	(11,058)	(14,990)	(16,518)
Profit after taxation	28,404	10,669	54,088	41,103
Other comprehensive income/(expenses)				
Foreign currency translation	826	41	824	41
Other comprehensive income/(expenses) for the period	826	41	824	41
Total comprehensive income	29,230	10,710	54,912	41,144
Profit after tax attributable to:				
- Owners of the Company	28,399	10,675	54,105	41,131
- Non-controlling interests	5	(6)	(17)	(28)
	28,404	10,669	54,088	41,103
Total comprehensive income attributable to:				
- Owners of the Company	29,225	10,710	54,929	41,165
- Non-controlling interests	5	-	(17)	(21)
	29,230	10,710	54,912	41,144
Basic weighted average no. of ordinary shares ('000)	619,499	484,545	619,499	484,545
Earnings per share (sen):				
- Basic	4.58	2.20	8.73	8.49
- Diluted	3.49	2.20	6.70	8.49

*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 September 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2014**

	<b>Unaudited As at 30.09.2014 RM'000</b>	<b>Audited As at 30.09.2013 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSET</b>		
Property, plant and equipment	312,213	305,630
<b>CURRENT ASSETS</b>		
Trade receivables	151,215	104,266
Other receivables, deposits and prepayment	14,927	354
Tax refundable	1	2,766
Fixed deposits with licensed banks	67,259	39,487
Cash and bank balances	49,554	17,125
	282,956	163,998
Assets held for sale	-	1,258
<b>TOTAL ASSETS</b>	<b>595,169</b>	<b>470,886</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	125,483	96,909
Share premium	62,059	-
Merger deficit	(71,909)	(71,909)
Employees' Share Option Reserve	610	969
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	12,394	-
Translation reserves	855	31
Retained profits	201,051	146,946
Total equity attributable to owners of the Company	330,543	172,946
Non-controlling interest	68	85
<b>TOTAL EQUITY</b>	<b>330,611</b>	<b>173,031</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	7,571	15,943
Long-term borrowings	172,774	207,453
RCULS	23,796	-
	204,141	223,396
<b>CURRENT LIABILITIES</b>		
Trade payables	16,465	29,893
Other payables and accruals	6,413	7,460
Provision for taxation	7,684	153
Short-term borrowings	25,493	19,821
Bank overdrafts	4,362	17,132
	60,417	74,459
<b>TOTAL LIABILITIES</b>	<b>264,558</b>	<b>297,855</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>595,169</b>	<b>470,886</b>

*The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2013 and the accompanying explanatory notes attached to these interim financial statements.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD  
(3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014**

	<b>Unaudited Current year to date 30.09.2014 RM'000</b>	<b>Audited Preceding year to date 30.09.2013 RM'000</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
Profit before taxation	69,078	57,621
Adjustments for:-		
Depreciation of property, plant and equipment	18,401	17,303
Gain on disposal of property, plant and equipment	(452)	-
Gain on disposal of a subsidiary	(2,221)	-
Impairment loss on goodwill	8,408	-
Bad debt written off	1,071	122
Interest expense	15,576	19,430
Interest income	(2,634)	(1,082)
Unrealised loss/(gain) on foreign exchange	(98)	9
Share-based payments	-	969
	<hr/>	<hr/>
Operating profit before working capital changes	107,129	94,372
Increase in trade and other receivables	(62,494)	(52,590)
Decrease in trade and other payables	(14,476)	(2,798)
	<hr/>	<hr/>
<b>CASH FROM OPERATIONS</b>	<b>30,159</b>	<b>38,984</b>
Interest paid	(15,576)	(19,430)
Interest received	2,634	1,082
Net taxation paid	(17,518)	(5,394)
	<hr/>	<hr/>
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(301)</b>	<b>15,242</b>
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<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(15,829)	(4,085)
Proceeds from disposal of property, plant and equipment	1,710	-
Proceeds from disposal of a subsidiary	^	-
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<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(14,119)</b>	<b>(4,085)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Repayment of hire purchase obligations	(67)	(19)
Drawdown of term loans	187,192	-
Repayment of term loans	(223,952)	(5,285)
Net proceeds from issuance of shares	81,909	-
Net proceeds from issuance of RCULS	40,642	-
Proceeds from exercise of employees' share options	2,178	-
Repayment to a director	-	(42)
	<hr/>	<hr/>
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>87,902</b>	<b>(5,346)</b>
	<hr/>	<hr/>
<b>NET INCREASE OF CASH AND CASH EQUIVALENTS</b>	<b>73,482</b>	<b>5,811</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>(511)</b>	<b>27</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>39,480</b>	<b>33,642</b>
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>112,451</b>	<b>39,480</b>
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD  
(3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014 (CONT'D)

	Unaudited Current year to date 30.09.2014 RM'000	Audited Preceding year to date 30.09.2013 RM'000
Cash and cash equivalents comprise the following:		
- Cash and bank balances	49,554	17,125
- Fixed deposits placed with licensed banks	67,259	39,487
- Bank overdrafts	(4,362)	(17,132)
	112,451	39,480
	112,451	39,480

Note:-

^ - Denotes RM1

*The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014**

	----- Attributable to owners of the Company -----									
	-----Non-distributable-----					Distributable			Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000		
Balance as at 01.10.2013 (Audited)	96,909	-	(71,909)	969	-	31	146,946	172,946	85	173,031
Profit after taxation	-	-	-	-	-	-	54,105	54,105	(17)	54,088
Other comprehensive expenses for the financial period, net of taxation:										
- Foreign currency translation	-	-	-	-	-	824	-	824	-	824
Total comprehensive income	-	-	-	-	-	824	54,105	54,929	(17)	54,912
Contributions by owners of the Company:										
Issuance of shares pursuant to:										
- Share Exchange	1,904	4,283	-	-	-	-	-	6,187	-	6,187
- Issuance of Share	26,000	58,500	-	-	-	-	-	84,500	-	84,500
Issuance of RCULS	-	-	-	-	12,793	-	-	12,793	-	12,793
Employees' share option exercised	670	1,867	-	(359)	-	-	-	2,178	-	2,178
Total transactions with owners	28,574	64,650	-	(359)	12,793	-	-	105,658	-	105,658
Listing expenses	-	(2,591)	-	-	(399)	-	-	(2,990)	-	(2,990)
Balance as at 30.09.2014	125,483	62,059	(71,909)	610	12,394	855	201,051	330,543	68	330,611

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014  
(CONT'D)

	----- Attributable to owners of the Company -----							Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	----- Non-distributable -----			Distributable		Total RM'000		
		Merger Deficit RM'000	Employees' Share Option Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000				
<b>Preceding year corresponding quarter 30.09.2013</b>									
Balance as at 01.10.2012 (Audited)	96,909	(71,909)	-	(3)	105,815	130,812	106	130,918	
Profit after taxation	-	-	-	-	41,131	41,131	(28)	41,103	
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation	-	-	-	34	-	34	7	41	
Total comprehensive income	-	-	-	34	41,131	41,165	(21)	41,144	
Employees' share options granted	-	-	969	-	-	969	-	969	
Balance as at 30.09.2013 (Audited)	96,909	(71,909)	969	31	146,946	172,946	85	173,031	

*The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

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

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

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

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

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

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

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

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments	1 January 2015
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

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

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

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

**A3. Seasonal or cyclical factors**

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

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

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

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

**A5. Material changes in estimates**

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

**A6. Debt and equity securities**

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

- Share Capital

	<b>Ordinary share of RM0.20 each No. of shares (‘000)</b>	<b>RM’000</b>
Share capital – issued and fully paid up as at 01.07.2014	627,131	125,426
Employees’ share option exercised	284	57
Share capital as at 30.09.2014	627,415	125,483



QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

**A7. Dividends**

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

**A8. Segmental information**

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

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 30.09.2014 RM’000	Unaudited Preceding year quarter 30.09.2013 RM’000	Unaudited Current year to date 30.09.2014 RM’000	Audited Preceding year to date 30.09.2013 RM’000
Pipeline and commissioning services; and	102,904	44,948	280,166	176,674
Installation and construction services	153,137	42,168	302,769	122,227
	256,041	87,116	582,935	298,901

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

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

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

**A10. Capital commitments**

	<b>As At 30.09.2014 RM’000</b>
<b>Property, plant and equipment:-</b>	
Approved and contracted for	1,339

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

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

**A12. Contingent liabilities and contingent assets**

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

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

A13. Material events subsequent to the end of the quarter

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

A14. Significant related party transactions

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 30.09.2014 RM'000	Unaudited Preceding year quarter 30.09.2013 RM'000	Unaudited Current year to date 30.09.2014 RM'000	Audited Preceding year to date 30.09.2013 RM'000
<b>Company in which certain Directors have interest</b>				
Purchases	126	1,581	3,077	3,138
Donations	150	189	600	559

A15. Change of financial year end

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

**QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014**

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

**B1. Review of performance**

In the current quarter ended 30 September 2014, the Group achieved a turnover of approximately RM256.04 million with a profit before taxation of approximately RM34.60 million. This is an increase of 193.91% in the turnover generated in the current quarter and an increase of 59.24% in the profit before taxation generated in the current quarter compared with that of the corresponding quarter of the preceding year. The increase in the turnover generated in the current quarter was mainly due to the new Transportation and Installation (“T&I”) contracts awarded during the current financial period ended 30 September 2014 and the other on-going Onshore Engineering, Procurement, Construction and Commissioning (“EPCC”) projects that were carried out during the current quarter.

Pipeline and commissioning services

During the current financial period ended 30 September 2014, a total turnover of RM280.17 million was generated from this segment, with approximately RM102.90 million being generated during the current quarter ended 30 September 2014. This is an increase of approximately 128.92% from the corresponding quarter of the preceding year of RM44.95 million. This was mainly due to the completion of two (2) Pre-commissioning works as well as the on-going Hook-up Commissioning works there were carried out during the current quarter compared to that of the corresponding quarter of the preceding year.

Installation and construction services

The turnover generated from this segment during the current financial period ended 30 September 2014 amounted to RM302.77 million, out of which RM153.14 million was generated in the current quarter ended 30 September 2014. This is an increase of approximately 263.16% from the corresponding quarter of the preceding year, as a result of the new T&I contracts which were awarded during the current financial period ended 30 September 2014 as well as the on-going EPCC projects during the current quarter.

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

The Group achieved a higher turnover by 60.32% and a higher profit before taxation by 106.12% in the current quarter compared with the immediate preceding quarter. These increase were mainly due to the completion of two (2) Pre-commissioning works as well as the on-going T&I, EPCC and Hook-up Commissioning works that were carried out during the current quarter.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

**B3. Commentary on prospects**

The Board of Directors is confident that the results for the financial year ending 31 December 2014 will remain positive given the number of on-going T&I, EPCC and Hook-up Commissioning projects available as of to date.

As at 30 September 2014, the Group has an order book of approximately RM2.23 billion for secured contracts over the next 3 to 5 years.

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

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

**B5. Profit before taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 30.09.2014 RM'000	Unaudited Preceding year quarter 30.09.2013 RM'000	Unaudited Current year to date 30.09.2014 RM'000	Audited Preceding year to date 30.09.2013 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Interest income	(584)	(369)	(2,634)	(1,082)
Interest expense	1,508	4,364	15,576	19,430
Depreciation of property, plant and equipment	6,498	3,882	18,401	17,303
Bad debt written off	-	122	1,071	122
Gain on disposal of property, plant and equipment	-	-	(452)	-
Gain on disposal of a subsidiary	-	-	(2,221)	-
Impairment loss on goodwill	-	-	8,408	-
Realised loss/(gain) on foreign exchange	(324)	124	(261)	30
Unrealised loss on foreign exchange	(98)	9	(98)	9
Listing expenses	-	494	1,403	963
Share-based payments	-	969	-	969

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

**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 30.09.2014 RM'000	Unaudited Preceding year quarter 30.09.2013 RM'000	Unaudited Current year to date 30.09.2014 RM'000	Audited Preceding year to date 30.09.2013 RM'000
Current tax:				
- for the current period	19,017	256	27,814	5,716
- overprovision in the previous financial year	-	(63)	-	(63)
	<u>19,017</u>	<u>193</u>	<u>27,814</u>	<u>5,653</u>
Deferred tax expense				
- for the current period	(12,814)	10,884	(12,814)	10,884
- overprovision in the previous financial year	(10)	(19)	(10)	(19)
	<u>(12,824)</u>	<u>10,865</u>	<u>(12,824)</u>	<u>10,865</u>
	<u><u>6,193</u></u>	<u><u>11,058</u></u>	<u><u>14,990</u></u>	<u><u>16,518</u></u>

The effective tax rate for the financial period ended 30 September 2014 is approximately 21.70%, which is slightly lower than the statutory tax rate of 25%.

The current period deferred tax was as a result of the reversal of temporary difference arising from the intercompany disposal of the Group's barge from one of its subsidiary, PBJV Group Sdn Bhd, which is incorporated in Malaysia, to another of its subsidiary, Kota Laksamana 101 Ltd, which is incorporated in the Federal Territory of Labuan.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

**B7. Status of corporate proposals**

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

**Utilisation of proceeds**

The total proceeds generated from the Issuance of Shares and the issuance of RCULS of RM126.11 million and the status of utilisation as at 20 November 2014 is as follows:-

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Amount Utilised RM'000</b>	<b>----- Deviation ----- RM'000                      %</b>		<b>Expected timeframe for utilisation from Listing Date</b>
<i><u>Proceeds from Issuance of Shares:-</u></i>					
Purchase of equipment and machineries	15,400 ^	10,893	-	-	12 months
Working capital	65,100	51,446	-	-	12 months
Estimated expenses in relation to the Restructuring Scheme and issuance of RCULS	4,000	7,066	3,066	76.65	-
<i><u>Proceeds from issuance of RCULS:-</u></i>					
Re-finance the borrowings of the pipe-laying accommodation barge	41,605	41,605	-	-	-
	<u>126,105</u>	<u>111,010</u>			

Note:-

^ - The excess of the amount allocated of RM4.51 million will be utilised to meet the Group's general working capital requirements.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

**B8. Group borrowings**

Total Group borrowings as at 30 September 2014 were as follows:-

<b>Unaudited</b>	<b>Short term Secured RM'000</b>	<b>Long term Secured RM'000</b>	<b>As at 30.09.2014 Total RM'000</b>
Term loans	25,332	170,994	196,326
Hire purchase	161	1,780	1,941
Bank overdrafts	4,362	-	4,362
	29,855	172,774	202,629

Included in the borrowings is a foreign borrowing as follows:-

<b>Unaudited</b>	<b>Short term Secured RM'000</b>	<b>Long term Secured RM'000</b>	<b>As at 30.09.2014 Total RM'000</b>
United States Dollar	20,173	167,806	187,979

**B9. Material litigation**

PBJV Group Sdn Bhd ("PBJV") has successfully secured an out-of-court settlement on 29th October 2014 for a claim suit initiated by PBJV on 10th April 2013 against Target Resources Corporation Sdn Bhd and Target Energy Co. (M) Sdn Bhd (collectively known as "Target Energy") in respect of pipeline pre-commissioning works done in accordance with the contract work awarded to PBJV; for a total settlement sum of Ringgit Malaysia Two Million Eight Hundred and Three Thousand Two Hundred and Sixty Four and Fifty Six cents (RM2,803,264.56) only ("Settlement Sum").

The Settlement Sum comprised of Total Judgement Sum pursuant to the Consent Judgement dated 28th April 2014 (with agreed interest and costs).

All parties involved agreed to withdraw their respective action/suits with no order to cost.

**B10. Dividends**

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

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

**B11. Earnings per share**

(a) Basic earnings per share

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 30.09.2014	Unaudited Preceding year quarter 30.09.2013	Unaudited Current year to date 30.09.2014	Audited Preceding year to date 30.09.2013
Profit attributable to the owners of the Company (RM'000)	28,399	10,675	54,105	41,131
Weighted average number of ordinary shares in issue ('000)	619,499	484,545	619,499	484,545
Basic earnings per share (sen)	4.58	2.20	8.73	8.49



QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

**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 30.09.2014	Unaudited Preceding year quarter 30.09.2013	Unaudited Current year to date 30.09.2014	Audited Preceding year to date 30.09.2013
Profit attributable to the owners of the Company (RM'000)	28,399	10,675	54,105	41,131
Interest expense on RCULS, net of tax (RM'000)	273	-	1,001	-
	<u>28,672</u>	<u>10,675</u>	<u>55,106</u>	<u>41,131</u>
Weighted average number of ordinary shares in issue ('000) (Basic)	619,499	484,545	619,499	484,545
Effect of assumed exercise of share options granted ('000)	5,695	-	5,695	-
Effect of conversion of RCULS ('000)	197,097	-	197,097	-
	<u>822,291</u>	<u>484,545</u>	<u>822,291</u>	<u>484,545</u>
Diluted earnings per share (sen)	<u>3.49</u>	<u>2.20</u>	<u>6.70</u>	<u>8.49</u>

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2014

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

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

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group		
- Realised	188,422	162,807
- Unrealised	(3,021)	(15,938)
	<hr/>	<hr/>
	185,401	146,869
Add: Consolidated adjustments	15,650	77
	<hr/>	<hr/>
	201,051	146,946
	<hr/>	<hr/>