

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2020

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2020 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM'000	Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000
Revenue	16,163	66,381	48,791	122,631
Cost of sales	(15,128)	(46,510)	(41,797)	(97,043)
Gross Profit	1,035	19,871	6,994	25,588
Other income	841	555	1,651	626
Administrative and other expenses	(3,369)	(7,409)	(12,156)	(15,594)
Finance costs	(501)	(2,815)	(1,020)	(5,786)
(Loss)/ Profit before taxation	(1,994)	10,202	(4,531)	4,834
Income tax (expense)/credit	(268)	640	(669)	230
(Loss)/ Profit after taxation	(2,262)	10,842	(5,200)	5,064
Other comprehensive Income/(expenses):				
Foreign currency translation differences	2,160	(12)	8,248	(1,138)
Total comprehensive (expenses)/income	(102)	10,830	3,048	3,926
(Loss)/ Profit after tax attributable to:				
- Owners of the Company	(2,262)	10,842	(5,200)	5,065
- Non-controlling interests	-	-	-	(1)
	(2,262)	10,842	(5,200)	5,064
Total comprehensive (expenses)/income attributable to:				
- Owners of the Company	(106)	10,830	3,041	3,927
- Non-controlling interests	4	-	7	(1)
	(102)	10,830	3,048	3,926
Basic weighted average no. of ordinary shares ('000)	835,786	835,786	835,786	835,786
Earnings per share (sen):				
- Basic	(0.27)	1.30	(0.62)	0.61
- 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
31 DECEMBER 2020

	Unaudited As at 31.12.2020 RM'000	Audited As at 30.06.2020 RM'000
ASSETS		
NON CURRENT ASSET		
Property, plant and equipment	72,615	80,521
Right-Of-Use Assets	4,588	5,527
	<u>77,203</u>	<u>86,048</u>
CURRENT ASSETS		
Inventories	4,291	4,291
Trade receivables	15,337	76,527
Other receivables, deposits and prepayments	1,517	1,530
Contract assets	3,349	23,303
Current tax assets	8,353	15,920
Short-term investments	2,374	5,344
Fixed deposits with licensed banks	79,880	49,981
Cash and bank balances	75,508	40,760
	<u>190,609</u>	<u>217,656</u>
TOTAL ASSETS	<u>267,812</u>	<u>303,704</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	231,889	231,889
Merger deficit	(71,909)	(71,909)
Foreign exchange translation reserves	8,429	180
Accumulated losses	(323,812)	(318,613)
Equity attributable to owners of the Company	(155,403)	(158,453)
Non-controlling interest	(121)	(128)
TOTAL EQUITY	<u>(155,524)</u>	<u>(158,581)</u>

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BARAKAH OFFSHORE PETROLEUM BERHAD
(980542-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2020 (CONT'D)

	Unaudited As at 31.12.2020 RM'000	Audited As at 30.06.2020 RM'000
NON-CURRENT LIABILITIES		
Lease Liabilities	3,807	3,809
	<u>3,807</u>	<u>3,809</u>
CURRENT LIABILITIES		
Trade Payables	235,672	257,174
Other Payables and Accruals	5,461	10,170
Short Term Borrowings	177,405	188,070
Lease Liabilities	991	1,839
Bank overdrafts	-	1,223
	<u>419,529</u>	<u>458,476</u>
TOTAL LIABILITIES	<u>423,336</u>	<u>462,285</u>
TOTAL EQUITY AND LIABILITIES	<u>267,812</u>	<u>303,704</u>
Net asset per share (sen)	<u>(18.59)</u>	<u>(18.96)</u>

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 31 DECEMBER 2020

	Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(4,531)	4,834
Adjustments for:-		
Depreciation of property, plant and equipment	3,540	4,010
Depreciation of right-of-use assets	935	-
Reversal of impairment loss of trade receivables	(195)	-
Right-of-use assets written off	4	-
Interest expense	1,035	5,786
Interest income	(1,145)	(669)
Unrealised (gain)/loss on foreign exchange	(16)	2,187
Operating (loss)/profit before changes in working capital	<u>(373)</u>	<u>16,148</u>
Changes in working capital :		
Inventories	-	184
Trade and other receivables	61,398	(672)
Contract assets	19,954	2,051
Trade and other payables	<u>(26,211)</u>	<u>(10,445)</u>
CASH GENERATED FROM OPERATIONS	54,768	7,266
Interest paid	-	(281)
Interest received	1,145	669
Tax Refund	7,724	13,359
Tax Paid	<u>(826)</u>	<u>(788)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>62,811</u>	<u>20,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10)	-
Increase in pledged fixed deposits with licensed banks and cash and bank balances	<u>(49)</u>	<u>(82)</u>
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>(59)</u>	<u>(82)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	-	(39)
Repayment of lease liabilities	(958)	-
Repayment of hire purchase obligations	-	(23)
Repayment to advance from a director	<u>-</u>	<u>(2)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(958)</u>	<u>(64)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 31 DECEMBER 2020 (CONT'D)

	Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,794	20,079
EFFECT OF EXCHANGE RATE CHANGES	903	(670)
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	117,710	46,566
Cash and cash equivalents comprise the following:		
- Short-term investments	2,374	5,255
- Fixed deposits with licensed banks	79,880	49,143
- Cash and bank balances	75,508	47,492
- Bank overdrafts	-	(1,664)
	157,762	100,226
Less : Fixed deposits pledged to licensed banks	(35,486)	(49,143)
Cash and bank balances pledged to licensed bank	(4,566)	(4,517)
	117,710	46,566

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 31 DECEMBER 2020

		----- Attributable to owners of the Company -----						
		----- Non-distributable -----			- Distributable -			
Unaudited	Note	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	Total Equity RM'000
Balance at 01.07.2020		231,889	(71,909)	180	(318,613)	(158,453)	(128)	(158,581)
Loss after taxation		-	-	-	(5,199)	(5,199)	(1)	(5,200)
Other comprehensive expenses for the financial period, net of taxation:								
- Foreign currency translation		-	-	8,249	-	8,249	8	8,257
Total comprehensive expenses		-	-	8,249	(5,199)	3,050	7	3,057
Balance at 31.12.2020		231,889	(71,909)	8,429	(323,812)	(155,403)	(121)	(155,524)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

		----- Attributable to owners of the Company -----						
		----- Non-distributable -----			----- Distributable -----			
Unaudited	Note	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	Total Equity RM'000
		231,889	(71,909)	6,906	(355,537)	(188,651)	(112)	(188,763)
		-	-	-	5,065	5,065	(1)	5,064
		-	-	(1,138)	-	(1,138)	-	(1,138)
		-	-	(1,138)	5,065	3,927	(1)	3,926
		231,889	(71,909)	5,768	(350,472)	(184,724)	(113)	(184,837)

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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31.12.2020 RM’000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM’000	Unaudited Current year to date 6 Months 31.12.2020 RM’000	Unaudited Preceding year to date 6 Months 31.12.2019 RM’000
Pipeline and commissioning services (“PCS”); and	16,163	59,985	47,764	99,720
Installation and construction services (“ICS”)	-	6,396	1,027	22,911
	<u>16,163</u>	<u>66,381</u>	<u>48,791</u>	<u>122,631</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

	As at 31.12.2020 RM’000
Property, plant and equipment:-	
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:-

	As at 31.12.2020 RM’000
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 31 DECEMBER 2020

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

A13. Material events during the quarter

- a) Pursuant to the announcements made by the Company on 19 May 2020 and 17 August 2020 respectively in relation to the High Court Order, pursuant to Section 366 and 368(2) of the Companies Act 2016 (“the Act”), on 17 November 2020, the Company’s wholly-owned subsidiary, PBJV Group Sdn Bhd (“PBJV”) had been granted an extension of the Order commences from 18 November 2020 and will end on 17th February 2021.

The 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 continue negotiating terms with its lenders and creditors and for these parties to secure necessary approvals without having the threat of any proceedings and actions being brought against PBJV.

- b) PRPC Utilities and Facilities Sdn. Bhd. (“PRPC”) had on 12 February 2020 filed a Writ of Summons, naming Company and Pegasus Diversified Berhad (Pegasus) as the Defendants for the claim sum of RM 85,203,274.96 under the Parental Guarantee issued by Company and Pegasus for their wholly owned subsidiaries, PBJV Group Sdn. Bhd. and Macfeam Sdn. Bhd. respectively, in relation to a contract referred to as “Utilities, Interconnecting, Offsite Facilities: Procurement, Construction & Commissioning (PCC) of Underground Pressurized Non-Metallic Piping Firewater Network East Side”.

On 28 December 2020, the High Court of Kuala Lumpur has struck off the said Writ of Summons proceedings against both Barakah and Pegasus, with PRPC has liberty to file afresh. Within such premises, currently, there are no further Writ of Summons proceedings against Barakah and Pegasus.

A14. Material events subsequent to the end of the quarter

On 10 February 2021, the Company’s wholly-owned subsidiary, PBJV had applied to the High Court of Malaya at Kuala Lumpur pursuant to Section 366 and 368(2) of the Act and was on 15 February 2021 granted an extension of the Order for a further period of three (3) months. The extension of the Order commences from 18 February 2021.

On 19 February 2021, PBJV has issued notice to its scheme creditors that the Court Convened Meeting (“CCM”) will be held on 15 March 2021. Please refer to B7 below for summary of the debt settlement proposal.

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 31 DECEMBER 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 31.12.2020 RM’000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM’000	Unaudited Current year to date 6 Months 31.12.2020 RM’000	Unaudited Preceding year quarter 6 Months 31.12.2019 RM’000
Company in which certain Directors have interest				
Rental of premises paid/payable	390	390	780	910
Rental of yard paid/payable	23	23	46	43
Donations *	60	60	120	120

* 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 31 DECEMBER 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 31.12.2020 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM'000	Variance		Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	16,163	66,381	(50,218)	(76%)	48,791	122,631	(73,840)	(60%)
EBITDA ^	2	14,379	(14,377)	(100%)	(166)	13,961	(14,127)	(101%)
Profit/(Loss) before taxation	(1,994)	10,202	(12,702)	(120%)	(4,531)	4,834	(9,365)	(194%)
Profit/(Loss) after taxation	(2,262)	10,842	(13,104)	(121%)	(5,200)	5,064	(10,264)	(203%)
Profit/(Loss) after taxation attributable to owners of the Company	<u>(2,262)</u>	<u>10,842</u>	<u>(13,104)</u>	<u>(121%)</u>	<u>(5,200)</u>	<u>5,065</u>	<u>(10,264)</u>	<u>(203%)</u>

Note:-

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

During the current financial quarter ended 31 December 2020, the Group reported total revenue of RM48.791 million, with RM16,163 million has been generated during the current period. This is a decrease of 60% compared to the corresponding quarter of the preceding year. The decrease in revenue for the current quarter was mainly due to lesser project carried out during the quarter. The Group had also reported a loss before taxation of RM4.531 million as compared to a profit of RM4.834 million from the corresponding quarter ended 31 December 2019.

	----- Individual Quarter -----				----- Cumulative Quarter -----			
	Unaudited Current year quarter 3 Months 31.12.2020 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM'000	Variance		Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000	Variance	
			RM'000	%			RM'000	%
PCS	16,163	59,985	(43,822)	(73%)	47,764	99,720	(51,956)	(52%)
ICS	-	6,396	(6,396)	(100%)	1,027	22,911	(21,884)	(96%)
	<u>16,163</u>	<u>66,381</u>	<u>(50,218)</u>	<u>(76%)</u>	<u>48,791</u>	<u>122,631</u>	<u>(73,840)</u>	<u>(60%)</u>

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 RM16.162 million generated from PCS in the current financial quarter, compared to RM59.985 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 31 December 2020, no revenue have been generated by ICS compared to 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

	Unaudited Current year quarter 3 Months 31.12.2020 RM'000	Unaudited Immediate preceding quarter 3 Months 30.09.2020 RM'000	Variance	
			RM'000	%
Revenue	16,163	32,628	(16,465)	(50%)
EBITDA ^	2	(169)	(171)	100%
(Loss)/Profit before taxation	(1,994)	(2,537)	543	(21%)
(Loss)/Profit after taxation	(2,262)	(2,938)	676	(23%)
(Loss)/Profit after taxation attributable to owners of the Company	(2,262)	(2,938)	676	(23%)

Note:-

^ - EBITDA refers to earnings before interest, taxation, depreciation, and amortisation

The Group reported a lower revenue by 50% during the current quarter ended 31 December 2020 compared to 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. Nevertheless, the loss before taxation has decreased by 21% in the current quarter ended 31 December 2020 compared with the immediate preceding quarter due to lower Administrative and Other expenses incurred for the current year quarter.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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, 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 May 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 31 DECEMBER 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. (Loss)/Profit before taxation

(Loss)/ Profit before taxation is arrived at after charging/(crediting):-

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2020 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM'000	Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000
Interest income on financial assets not at fair value through profit or loss:				
- fixed deposits with licensed banks	(525)	(596)	(810)	(618)
- Cash and bank balances	(202)	(10)	(335)	(51)
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdraft	-	53	4	201
- hire purchase	-	-	-	6
- term loans	456	2,758	922	5,510
- bank guarantee/trust receipts	1	-	1	69
- right-of-use assets	59	-	108	-
Depreciation of:				
Property, plant and equipment	1,738	1,972	3,540	4,010
Right-of-use assets	469	-	935	-
Unrealised (gain)/loss on foreign exchange	(2,268)	3,034	(16)	2,187

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 31 DECEMBER 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 31.12.2020 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2019 RM'000	Unaudited Current year to date 6 Months 31.12.2020 RM'000	Unaudited Preceding year to date 6 Months 31.12.2019 RM'000
Current tax:				
- for the current year	(268)	(180)	(669)	230
- (over)/underprovision in the previous financial years	-	(460)	-	(460)
	<u>(268)</u>	<u>(640)</u>	<u>(669)</u>	<u>(230)</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. 16 May 2021 for those who had triggered the PN17 criteria between 02 January 2019 to 31 December 2020.

On 19 May 2020, PBJV had applied to the High Court of Malaya at Kuala Lumpur pursuant to Sections 366 and 368(2) of the Act and was granted a fresh Restraining Order ("Order") for a period of three (3) months.

On 18 August 2020, the Court had granted an extension of the Order for a period of three (3) months up to 17 November 2020, and was further extended for another three (3) months up to 18 February 2021.

On 15 February 2021, PBJV was granted another extension of the Order for a further period of three (3) months. The extension of the Order commences from 18 February 2021 and will expire on 18 May 2021.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020

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 (Continued)

On 19 February 2021, PBJV has issued notice to its scheme creditors that the Court Convened Meeting (“CCM”) will be held on 15 March 2021. Explanatory Statement (“ES”) dated 19 February 2021 which detailing the debt settlement scheme proposal also been issued as summarised as follows:-

- (i) Proposed cash settlement of RM64.00 million to the Group A Scheme Creditors of PBJV (“Proposed Cash Settlement”);
 - (ii) Proposed payment of RM50.72 million in the ordinary course of business to the Group B Scheme Creditors of PBJV (“Proposed Payment in the Ordinary Course of Business”);
 - (iii) Proposed payment of RM14.50 million to the Group C Scheme Creditors of PBJV over a period of 5 years from the date of the Mersing Settlement Agreement (“Proposed Mersing Settlement”); and
 - (iv) Proposed waiver of RM292.00 million owing to the Scheme Creditors of PBJV (“Proposed Waiver”).
- The above proposed debt settlement scheme is part of the Group’s plan to regularise its financial conditions and will make further announcement once there is any development.

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)
As at 31 December 2020						
Secured:-						
- Term loan (USD) ^	44,163	177,405	-	-	44,163	177,405
- Hire Purchase (RM)	-	-	-	-	-	-
- Bank overdrafts (RM)	-	-	-	-	-	-
		<u>177,405</u>		<u>-</u>		<u>177,405</u>

Unaudited	Short term		Long term		Total borrowings	
	Foreign currency ('000)	RM ('000)	Foreign currency ('000)	RM ('000)	Foreign currency ('000)	RM ('000)
As at 31 December 2019						
Secured:-						
- Term loan (USD) *	44,139	183,838	-	-	44,139	183,838
- Hire purchase (RM)	-	4	-	-	-	4
- Bank overdrafts (RM)	-	1,664	-	-	-	1,664
		<u>185,506</u>		<u>155,590</u>		<u>185,506</u>

Notes:-

^ - Converted at exchange rate of 4.0170 as at 31 December 2020

* - Converted at exchange rate of 4.1649 as at 31 December 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 overdraft is mainly used to finance the Group’s projects working capital purposes.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 (Continued)

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.

B9. Material litigation

- a) 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 dated 22 October 2019 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 was fixed on 30 November 2020 for Plaintiff to update Court on their stand/position whether or not to oppose Defendants' stay application. No update from Plaintiff on the stand/position and therefore Court had fixed another date of 23 February 2021 as Case Management after expiry of PBJV's Restraining Order. In view of extension of PBJV's Restraining Order Court has since fixed on 1st June 2021 for Next Case Management.

- b) 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.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 (Continued)

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.

On 6 April 2020, the Defendants filed a Striking-out Application against the Plaintiff’s suit. On 8 December 2020, the Court delivered the decision to dismiss the Application by the Defendant with cost and ordered the full trial of the Case to be heard on 28 June 2021 until 2 July 2021.

- c) 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 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 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. Macfearn Sdn. Bhd. has also been named as the Second Plaintiff in the said legal action.

Currently, due to an alleged counter claim of RM 85,203,274.96 by PRPC against PBJV, PRPC is now in the midst of commencing an arbitration proceeding against PBJV. In the meantime, PBJV has also commenced a Winding-up Proceeding combined with Adjudication Proceeding against PRPC, of which currently are on-going, in light of the breach of the same contract.

- d) 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 currently pending appointment of the Arbitrator by Asian International Arbitration Centre (AIAC). At present, two out of three Arbitrators have been proposed by PBJV and PGB, and subsequently appointed by the Asian International Arbitration Centre (AIAC). The appointment of the 3rd Arbitrator is still pending.

- e) 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. The Company has sought preliminary legal advice and will negotiate with the Petitioner towards proposal for settlement and/or opposing and challenging the petition.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 (Continued)

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. Parties were expected to finalise the settlement and matter to be closed. However, Date of 25 November 2020 was vacated and 6 January 2021 was fixed for another Case Management. In view of extension of PBJV's Restraining Order Court has since vacated the Hearing date on 2 March 2021 and fixed next Case Management before the Judge on 24 May 2021.

- f) 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 Pressurized 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 and 8 December 2020 had hearings for (Consolidation Application by Defendants) and (Striking Out Application by Plaintiff).

On 28 December 2020, the Kuala Lumpur High Court struck off the Case with liberty for PRPC to file afresh.

- 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.

On 9 December 2020 the Court delivered decision in favour of PGB's Fortuna Injunction, but also allowed PBJV to still pursue the claim against PGB by means other than a Winding-up Petition.

On 8 January 2021, PBJV appealed against the Court's decision delivered on 9 December 2020 to the Court of Appeal. First Case Management has been fixed on 26 February 2021.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 (Continued)

- h) On 22 September 2020, the Company with its wholly owned subsidiary, PBJV Group Sdn. Bhd. ("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.

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 RM 89,583,028.00 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 1st, 3rd, 4th, 6th, 7th, and 8th Defendant respectively to file a Statement of Defence and/or Striking-out Application by 23 November 2020, and the Plaintiffs was allowed to serve the out-of-jurisdiction's Writ of Summons to the 2nd Plaintiff on/or before 23 November 2020. This Writ was duly served to 2nd Plaintiff on 23 November 2020.

On 23 November 2020, 5th Defendant has entered appearance through its solicitor, Messrs Azman Davidson & Co and was directed to file its Statement of Defence by 14 December 2020, whereas the Plaintiffs are to file its Reply to Defence on/or before 28 December 2020.

On 20th December 2020, 1st, 3rd, 4th, 6th, 7th and 8th Defendant have collectively filed an Application to strike out Plaintiff's claim. Plaintiffs filed the Affidavit-in-Reply on 11 January 2021.

On 5 November 2020, there is a typographical error on the amount amount of claim as stated in item 3 of Paragraph 2 of the said announcement dated 23.09.2020, and item 2(c) of the Company's announcement dated 25.09.2020 in respect of Paragraph 65, prayer (c) of the Statement of Claim has been amended from RM220,038,028.00 to RM22,038,028.00 of which the Court then provided the sealed order of the same.

Hearing for the Striking Out Application was fixed before Judge on 24 February. 2021. The Hearing proceeding went on and the Court has fixed 15 March 2021 for Decision.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 (Continued)

- i) On 3 November 2020 Company's wholly-owned subsidiary, PBJV Group Sdn Bhd has been served with a Notice of Arbitration from Petrofac (Malaysia-PM304) Limited for the alleged anchor dropping incident caused by PBJV's appointed subcontractor namely Asian Kaliber Sdn Bhd (the charterer for marine vessel Armada Firman) and Bumi Armada Navigation Sdn Bhd (vessel's owner for Armada Firman) while executing the subcontracting work for the supply of Accommodation Work Barge (AWB) for Petrofac on 6 November 2014. The amount of the claim of USD1,190,676.82 (approximately RM4,951,429.56*) was for the Insurance's deductible/excess and other costs, which are as follows:-

- (i) Deductible / Excess sum of Petrofac's Insurance Policy in the sum of USD1,000,000.00; and
(ii) Additional 7% Premium in the sum of USD190,676.82.

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

PBJV opposes to Petrofac's Notice of Arbitration on the grounds that:

- (i) Petrofac's Notice of Arbitration against PBJV has no basis whatsoever;
(ii) PBJV has no control over Armada Firman (as PBJV's scope of works is only on the provision of works to hook-up, tie-in, inspect, calibrate, test, pre-commission and commission of facilities)
(iii) Therefore, PBJV cannot be held liable for the costs incurred by Petrofac due to the same.

PBJV is of the view that Petrofac's Notice of Arbitration against PBJV is not justified and has a low chance of success. In the event Petrofac's claim against PBJV is allowed, PBJV will have to pay Petrofac's claim in a sum of USD1,190,676.82 (approximately RM4,951,429.56*).

On 3 December 2020 PBJV replied the Notice of Arbitration and disputed the liability to pay the sum of USD 1,190,676.82. Case is now pending appointment of arbitrators.

- j) In relation to Petrofac's claims, PBJV has, on 3 November 2020, served a Writ and Statement of Claim on Asian Kaliber Sdn Bhd and Bumi Armada Navigation Sdn Bhd under Kuala Lumpur High for a sum of USD1,190,676.82 (approximately RM4,951,429.56*)

Asian Kaliber and Bumi Armada are PBJV's subcontractor respectively under the Contract's works (via a Letter of Award dated 4 April 2014, and Charter Party Agreement dated 22 April 2014) and owners of Armada Firman.

The basis of PBJV's Writ Action against Asian Kaliber and Bumi Armada, is as follows:

- (i) the Incident occurred due to Asian Kaliber and Bumi Armada's negligence and incompetence as owners and handlers of Armada Firman; and
(ii) therefore, Asian Kaliber and Bumi Armada are to indemnify PBJV from Petrofac's claims for the said claim of USD1,190,676.82 and / or any other claims by Petrofac related to the same.

On 3 December 2020, PBJV filed an application to add in Petrofac (Malaysia-PM304) Limited as a Defendant, which was subsequently allowed on 29 December 2020. The Amended Writ and Amended Statement of Claim dated 12 January 2021 were served on Petrofac on 27 January 2021.

On 27 January 2021, PBJV was served with a Notice of Application by Asian Kaliber to strike out PBJV's claims against Asian Kaliber. On 10 February 2021, PBJV was served with a Notice of Application by Petrofac to stay PBJV's claims against Petrofac, pending arbitration.

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 (Continued)

Both application are now pending exchange of affidavits.

PBJV is of the view that PBJV's Writ Action against Asian Kaliber and Bumi Armada has a fair chance of success. In the event PBJV's Writ Action against Asian Kaliber and Bumi Armada is dismissed, PBJV will have to pay Petrofac's claim in a sum of USD1,190,676.82 (approximately RM4,951,429.56*).

The Kuala Lumpur High Court has fixed the next Case Management to monitor the status of the action and the present applications, on 2 March 2021.

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 31.12.2020	Unaudited Preceding year quarter 3 Months 31.12.2019	Unaudited Current year to date 6 Months 31.12.2020	Unaudited Preceding year to date 6 Months 31.12.2019
(Loss)/ Profit attributable to the owners of the Company (RM'000)	(2,262)	10,842	(5,200)	5,065
Weighted average number of ordinary shares in issue ('000)	835,786	835,786	835,786	835,786
Basic earnings per share (sen)	(0.27)	1.30	(0.62)	0.61

(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.