

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013**

|   | --- Individual Quarter ---   |  | --- Cumulative Quarter ---   |  |
|---|--|--|--|--|
|   | Unaudited<br>Current<br>year<br>quarter<br>30 June<br>2013<br>RM'000 | Unaudited<br>Preceding<br>year<br>quarter<br>30 June<br>2012<br>RM'000 | Unaudited<br>Current<br>year<br>to date<br>30 June<br>2013<br>RM'000 | Unaudited<br>Preceding<br>year<br>to date<br>30 June<br>2012<br>RM'000 |
| Revenue   | 57,716   | 37,073   | 211,785  | 150,715  |
| Cost of Sales                                     | (33,546)   | (24,974)   | (129,253)  | (103,243)  |
| Gross Profit ("GP")                               | 24,170   | 12,099   | 82,532   | 47,472   |
| Other income                                      | 329  | 136  | 1,164  | 568  |
| Administrative and other<br>expenses              | (12,142)   | (8,825)  | (32,650)   | (21,469)   |
| Finance costs                                     | (5,207)  | (327)  | (15,152)   | (1,338)  |
| Profit Before Taxation ("PBT")                    | 7,150  | 3,083  | 35,894   | 25,233   |
| Income tax expense                                | (1,784)  | (2,003)  | (5,460)  | (6,010)  |
| Profit After Taxation ("PAT")                     | 5,366  | 1,080  | 30,434   | 19,223   |
| Other Comprehensive Income                        | -  | -  | -  | -  |
| Total Comprehensive income                        | 5,366  | 1,080  | 30,434   | 19,223   |
| Profit After Tax Attributable To:                 |  |  |  |  |
| - Owners of the Company                           | 5,375  | 1,087  | 30,456   | 19,239   |
| - Non-controlling interests                       | (9)  | (7)  | (22)   | (16)   |
|   | 5,366  | 1,080  | 30,434   | 19,223   |
| TOTAL COMPREHENSIVE<br>INCOME ATTRIBUTABLE TO:    |  |  |  |  |
| - Owners of the Company                           | 5,375  | 1,087  | 30,456   | 19,239   |
| - Non-controlling interests                       | (9)  | (7)  | (22)   | (16)   |
|   | 5,366  | 1,080  | 30,434   | 19,223   |
| Weighted average no. of<br>ordinary shares ('000) | 484,545  | 484,545  | 484,545  | 484,545  |
| Earnings per share (sen):                         |  |  |  |  |
| - Basic   | 1.11   | 0.22   | 6.29   | 3.97   |
| - Diluted   | N/A  | N/A  | N/A  | N/A  |

Note:

- (i) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Accountants' Report as disclosed in Appendix V of the Abridged Prospectus dated 4 October 2013 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013

|   | Unaudited<br>As at<br>30 June 2013<br>RM'000 | Audited<br>As at<br>30 September 2012<br>RM'000 |
|---|--|---|
| <b>ASSETS</b>   |  |   |
| <b>NON-CURRENT ASSET</b>                                      |  |   |
| Property, plant and equipment                                 | 309,619                                      | 319,798   |
| <b>CURRENT ASSETS</b>   |  |   |
| Trade receivables   | 74,602                                       | 51,061  |
| Other receivables, deposits and prepayment                    | 697  | 1,091   |
| Tax refundable  | 2,831  | 2,898   |
| Fixed deposits with licensed banks                            | 37,455                                       | 31,038  |
| Cash and bank balances  | 18,059                                       | 9,208   |
|   | 133,644                                      | 95,296  |
| <b>TOTAL ASSETS</b>   | <b>443,263</b>                               | <b>415,094</b>                                  |
| <b>EQUITY AND LIABILITIES</b>                                 |  |   |
| <b>EQUITY</b>   |  |   |
| Share capital   | 96,909                                       | 96,909  |
| Retained profits  | 136,271                                      | 105,815   |
| Translation reserves  | (3)  | (3)   |
| Merger deficit  | (71,909)                                     | (71,909)  |
| <b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS<br/>OF THE COMPANY</b> | <b>161,268</b>                               | <b>130,812</b>                                  |
| <b>NON-CONTROLLING INTEREST</b>                               | <b>84</b>                                    | <b>106</b>                                      |
| <b>TOTAL EQUITY</b>   | <b>161,352</b>                               | <b>130,918</b>                                  |
| <b>NON-CURRENT LIABILITIES</b>                                |  |   |
| Deferred tax liabilities                                      | 5,078  | 5,078   |
| Long-term borrowings  | 218,370                                      | 220,463   |
|   | 223,448                                      | 225,541   |
| <b>CURRENT LIABILITIES</b>                                    |  |   |
| Trade payables  | 31,676                                       | 25,789  |
| Other payables and accruals                                   | 8,430  | 14,362  |
| Amount owing to a director                                    | 42   | 42  |
| Provision for taxation  | 13   | 26  |
| Short-term borrowings   | 11,410                                       | 11,812  |
| Bank overdrafts   | 6,892  | 6,604   |
|   | 58,463                                       | 58,635  |
| <b>TOTAL LIABILITIES</b>                                      | <b>281,911</b>                               | <b>284,176</b>                                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           | <b>443,263</b>                               | <b>415,094</b>                                  |

Note:

- (i) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with Accountants' Report as disclosed in Appendix V of the Abridged Prospectus dated 4 October 2013 and the accompanying explanatory notes attached to this interim financial statement.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013**

|   | <b>Unaudited<br/>Current<br/>year to date<br/>30 June 2013<br/>RM'000</b> | <b>Unaudited<br/>Preceding<br/>year to date<br/>30 June 2012<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |   |   |
| Profit before taxation  | 35,894  | 25,233  |
| Adjustments for:-   |   |   |
| Depreciation of property, plant and equipment                         | 13,421  | 4,301   |
| Bad debts written off   | -   | 721   |
| Interest expense  | 15,066  | 1,027   |
| Interest income   | (713)   | (604)   |
| Operating profit before working capital changes                       | 63,668  | 30,678  |
| (Increase)/Decrease in trade and other receivables                    | (23,147)  | 77,548  |
| Decrease in trade and other payables                                  | (45)  | (47,232)  |
| <b>CASH FROM OPERATIONS</b>   | <b>40,476</b>   | <b>60,994</b>   |
| Interest paid   | (15,066)  | (1,027)   |
| Interest received   | 713   | 604   |
| Income tax paid   | (5,406)   | (15,157)  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                             | <b>20,717</b>   | <b>45,414</b>   |
| <b>NET CASH FOR INVESTING ACTIVITY</b>                                |   |   |
| Purchase of property, plant and equipment                             | (3,242)   | (28,451)  |
| <b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>                     |   |   |
| Advances from a director  | -   | 22  |
| Drawdown of a term loan   | -   | 151   |
| Repayment of hire purchase obligations                                | (14)  | (11)  |
| Repayment of term loans   | (2,481)   | -   |
| <b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>                       | <b>(2,495)</b>  | <b>162</b>  |
| <b>NET INCREASE OF CASH AND CASH EQUIVALENTS</b>                      | <b>14,980</b>   | <b>17,125</b>   |
| <b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>           | <b>-</b>  | <b>(6)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b> | <b>33,642</b>   | <b>12,310</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>   | <b>48,622</b>   | <b>29,429</b>   |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013 (CONT'D)**

|   | <b>Unaudited<br/>Current<br/>year to date<br/>30 June 2013<br/>RM'000</b> | <b>Unaudited<br/>Preceding<br/>year to date<br/>30 June 2012<br/>RM'000</b> |
|---|---|---|
| Cash and cash equivalents comprise the following: |   |   |
| - Cash and bank balances                          | 18,059  | 7,908   |
| - Fixed deposits placed with licensed banks       | 37,455  | 28,797  |
| - Bank overdrafts                                 | (6,892)   | (7,276)   |
|   | <hr/> 48,622  | <hr/> 29,429  |

Note:

- (i) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with Accountants' Report as disclosed in Appendix V of the Abridged Prospectus dated 4 October 2013 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

|  | ----- Attributable to owners of the Company ----- |                             |                                  |                               |                 |      | Non<br>controlling<br>interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|---|-----------------------------|----------------------------------|-------------------------------|-----------------|------|---|---------------------------|
|  | -----Non-distributable-----                       |                             |                                  | Distributable                 |                 |      |   |                           |
|  | Share<br>Capital<br>RM'000                        | Merger<br>Deficit<br>RM'000 | Translation<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>RM'000 |      |   |                           |
| Balance as at 1 October 2012 (Audited)                       | 96,909  | (71,909)                    | (3)                              | 105,815                       | 130,812         | 106  | 130,918                                   |                           |
| Total comprehensive income                                   | -   | -                           | -                                | 30,456                        | 30,456          | (22) | 30,434                                    |                           |
| Balance as at 30 June 2013                                   | 96,909  | (71,909)                    | (3)                              | 136,271                       | 161,268         | 84   | 161,352                                   |                           |
| <b>Preceding year corresponding<br/>quarter 30 June 2012</b> |   |                             |                                  |                               |                 |      |   |                           |
| Balance as at 1 October 2011                                 | 96,909  | (71,909)                    | -                                | 72,584                        | 97,584          | -    | 97,584                                    |                           |
| Total comprehensive income                                   | -   | -                           | -                                | 19,239                        | 19,239          | (16) | 19,223                                    |                           |
| Contributions by owners of the<br>Company:                   |   |                             |                                  |                               |                 |      |   |                           |
| - acquisition of subsidiary                                  | -   | -                           | -                                | -                             | -               | 122  | 122                                       |                           |
| Total transactions with owners                               | -   | -                           | -                                | -                             | -               | 122  | 122                                       |                           |
| Balance as at 30 June 2012                                   | 96,909  | (71,909)                    | -                                | 91,823                        | 116,823         | 106  | 116,929                                   |                           |

Note: The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with Accountants' Report as disclosed in Appendix V of the Abridged Prospectus dated 4 October 2013 and the accompanying explanatory notes attached to this interim financial statement.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

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

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

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in Appendix V of the Abridged Prospectus dated 4 October 2013 and the accompanying explanatory notes attached to these interim financial statements.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report of the Abridged Prospectus of the Company dated 4 October 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):-

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

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 10 Consolidated Financial Statements  | 1 January 2013        |
| MFRS 12 Disclosure of Interests in Other Entities  | 1 January 2013        |
| MFRS 13 Fair Value Measurement   | 1 January 2013        |
| MFRS 127 Separate Financial Statements   | 1 January 2013        |
| Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities      | 1 January 2013        |
| Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures | 1 January 2015        |
| Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance                                | 1 January 2013        |
| 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        |
| Annual Improvements to MFRSs 2009 – 2011 Cycle   | 1 January 2013        |

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

The audited report on the financial statements of the Group for the financial year ended 30 September 2012 was not subject to any qualification.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

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

**A3. Seasonal or cyclical factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year-to-date.

**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**

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<br>Current<br>year<br>quarter<br>30 June<br>2013<br>RM’000 | Unaudited<br>Preceding<br>year<br>quarter<br>30 June<br>2012<br>RM’000 | Unaudited<br>Current<br>year to<br>date<br>30 June<br>2013<br>RM’000 | Unaudited<br>Preceding<br>year<br>to date<br>30 June<br>2012<br>RM’000 |
| Pipeline and commissioning services <sup>N1</sup> ; and | 53,475   | 29,166   | 131,726  | 99,559   |
| Installation and construction services <sup>N2</sup>    | 4,241  | 7,907  | 80,059   | 51,156   |
|   | <u>57,716</u>  | <u>37,073</u>  | <u>211,785</u>   | <u>150,715</u>   |

<sup>N1</sup> - Previously defined as “Pre-commissioning, commissioning and de-commissioning service and other associated service”.

<sup>N2</sup> - Previously defined as “Construction and pipeline installation”.

**QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013**

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

**A8. Segmental information (Cont’d)**

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

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

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

**A10. Capital commitments**

There were no material capital commitments in respect of property, plant and equipment as at 30 June 2013.

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

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

**A12. Contingent liabilities and contingent assets**

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

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

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



**QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013**

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

**B1. Review of performance**

The Group achieved a turnover of RM57.72 million and a profit before taxation of RM7.15 million for the current third quarter ended 30 June 2013. For the nine months period ended 30 June 2013, the Group achieved a turnover of RM211.79 million and a profit before taxation of RM35.89 million. The turnover generated from the pipeline and commissioning services had contributed approximately 92.65% and 62.20% to the overall turnover of the current third quarter and current financial period ended 30 June 2013 respectively, as most of the works completed during the third quarter were from few pipeline projects.

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

The Group's turnover for the current third quarter increased by RM20.64 million compared to the immediate preceding quarter mainly due to the higher works of pipeline and commissioning services completed in the current third quarter from projects awarded by several major oil companies.

**B3. Commentary on prospects**

As disclosed in the Abridged Prospectus of the Company dated 4 October 2013, the Group's outlook is positive as evidenced by the award of Hook-up Commissioning, Pipeline Services and Topside Major Maintenance services for 2013 - 2018 by major oil companies. The Group had also recently been awarded Onshore Engineering, Procurement, Construction and Commissioning ("EPCC") Pipeline and Construction project amounting to approximately RM94 million. As at 1 October 2013, the Group has an order book of approximately RM755 million for secured contracts for the next 5 years.

The Group is confident to secure more work in the near future, given the availability of its newly completed pipe-laying accommodation barge, known as "Kota Laksamana 101".

**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.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

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

**B5. Profit before taxation**

|  | --- Individual Quarter ---                                     |  | --- Cumulative Quarter ---                                     |  |
|--|--|--|--|--|
|  | Unaudited<br>Current year<br>quarter<br>30 June 2013<br>RM'000 | Unaudited<br>Preceding<br>year quarter<br>30 June 2012<br>RM'000 | Unaudited<br>Current year<br>to date<br>30 June 2013<br>RM'000 | Unaudited<br>Preceding<br>year to date<br>30 June 2012<br>RM'000 |
| Profit before<br>taxation is<br>arrived at after<br>charging/<br>(crediting):- |  |  |  |  |
| Interest income  | (226)  | (229)  | (713)  | (604)  |
| Interest expense   | 5,177  | 279  | 15,066   | 1,027  |
| Depreciation of<br>property, plant<br>and equipment                            | 4,502  | 2,180  | 13,421   | 4,301  |
| Bad debts written<br>off   | -  | -  | -  | 721  |
| Realised<br>(gain)/loss on<br>foreign<br>exchange                              | *  | 99   | (94)   | 124  |
| Listing expenses   | 256  | 957  | 469  | 1,158  |

\* Denotes RM525

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

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

**B6. Income tax expense**

|                               | --- Individual Quarter ---                                     |  | --- Cumulative Quarter ---                                     |  |
|-------------------------------|--|--|--|--|
|                               | Unaudited<br>Current year<br>quarter<br>30 June 2013<br>RM'000 | Unaudited<br>Preceding<br>year quarter<br>30 June 2012<br>RM'000 | Unaudited<br>Current year<br>to date<br>30 June 2013<br>RM'000 | Unaudited<br>Preceding<br>year to date<br>30 June 2012<br>RM'000 |
| Current income<br>tax expense | 1,784  | 2,003  | 5,460  | 6,010  |

**B7. Status of corporate proposals**

On 3 May 2013, the Securities Commission Malaysia (“SC”) had approved the Restructuring Scheme entered into by the Company with Vastalux Energy Berhad (“VEB”), a public company limited by shares, which would involve the Company assuming the listing status of VEB upon the completion of the Restructuring Scheme. The following stages of the Restructuring Scheme was/will be undertaken by the Company:

**(a) Share Exchange**

The Share Exchange involves the exchange of the entire issued and paid-up share capital of VEB of RM51,560,000 comprising 206,240,000 ordinary shares of RM0.25 each in VEB (“VEB Shares”) for 9,518,769 new ordinary shares of RM0.20 each in the Company (“Barakah Shares”) on the basis of three (3) new Barakah Shares for every sixty five (65) VEB Shares held at the entitlement date, together with an offer from Barakah to the shareholders of VEB (“Entitled Shareholders”) to subscribe for a total of 3,172,923 3.5% 5-year redeemable convertible unsecured loan stocks (“RCULS”) at an issue price of RM0.20 per RCULS on the basis of one (1) RCULS for every three (3) Barakah Shares to be held.

Consequently, VEB became a wholly-owned subsidiary of the Company upon the completion of the Share Exchange on 4 October 2013.

**QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013**

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

**B7. Status of corporate proposals (Cont'd)**

**(b) Issuance of Shares**

The Issuance of Shares involves the issuance of up to 130,000,000 new Barakah Shares ("Issue Shares") to investors to be identified at an issue price of RM0.65 per share, together with an offer from Barakah to the same investors to be identified to subscribe for up to 43,333,334 RCULS at an issue price of RM0.20 per RCULS on the basis of one (1) RCULS for every three (3) Issue Shares to be held.

The Issuance of Shares was completed on 25 October 2013.

**(c) Offer for Sale**

The Offer for Sale involves an offer for sale of up to 98,500,000 Barakah Shares ("Offer Shares") by the Company's shareholders ("the Offerors") to investors to be identified at an offer price of RM0.65 per Offer Share, together with an offer from the Offerors to the same investors to be identified to subscribe for up to 32,833,334 RCULS at an issue price of RM0.20 per RCULS on the basis of one (1) RCULS for every three (3) Offer Shares to be held.

The Offer for Sale was completed on 25 October 2013.

**(d) Transfer of Listing Status**

The Transfer of Listing Status involves the delisting of the entire issued and paid-up share capital of VEB from the Official List of the Main Market of Bursa Securities and the admission of the entire enlarged issued and paid-up share capital of Barakah to the Official List of the Main Market of Bursa Securities upon the completion of the Share Exchange, Issuance of Shares and Offer for Sale.

The Transfer of Listing Status is scheduled to take place on 6 November 2013.

**(e) Disposal of VEB**

Upon the completion of the Share Exchange on 4 October 2013, VEB became a wholly-owned subsidiary of the Company. As part of the Restructuring Scheme, Barakah had entered into a conditional share sale agreement dated 25 May 2012 with Squid Ink Sdn. Bhd. for the disposal of its entire equity interests in VEB for a nominal cash consideration of RM1.00.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

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

**B7. Status of corporate proposals (Cont'd)**

**(e) Disposal of VEB (Cont'd)**

The Company will not assume any liabilities (including contingent liabilities and guarantees) of VEB under the Disposal of VEB. Such liabilities and guarantees (if any) of VEB will be settled by VEB.

The Disposal of VEB is scheduled to take place on 6 November 2013.

**(f) Employees' Share Option Scheme**

In conjunction with the Restructuring Scheme, the Board of the Company has resolved to undertake the establishment of an Employees' Share Option Scheme ("ESOS"). The option granted under the ESOS shall entitle the eligible Directors and employees of the Company ("Eligible Persons") to subscribe for new Barakah Shares at a pre-determined price ("ESOS Options").

The Board of the Company had on 24 May 2012 granted up to 9,358,000 ESOS Options to the Eligible Persons ("Initial Grants") at an exercise price of RM0.65 per ESOS Option, which is the issue price of the Issue Shares.

**Utilisation of proceeds**

The total proceeds generated from the Issuance of Shares and the issuance of RCULS will be utilised as follows:-

| <b>Purpose</b>   | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Expected timeframe for<br/>utilisation upon the completion<br/>of the Transfer of Listing Status</b> |
|--|--|---|
| <i><u>Proceeds from Issuance of Shares:-</u></i>                                       |  |   |
| Purchase of equipment and<br>machineries   | 15,400                                     | 12 months   |
| Working capital  | 65,100                                     | 12 months   |
| Estimated expenses in relation to<br>the Restructuring Scheme and<br>issuance of RCULS | 4,000                                      | 3 months  |
| <i><u>Proceeds from issuance of RCULS:-</u></i>  |  |   |
| Re-finance the borrowings of the<br>pipe-laying accommodation<br>barge                 | 41,605                                     | 3 months  |
|  | <hr/>                                      |   |
|  | 126,105                                    |   |
|  | <hr/>                                      |   |

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

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

**B8. Group borrowings**

Total Group borrowings as at 30 June 2013 were as follows:-

| <b>Unaudited</b> | <b>Short term<br/>Secured<br/>RM'000</b> | <b>Long term<br/>Secured<br/>RM'000</b> | <b>As at<br/>30 June 2013<br/>Total<br/>RM'000</b> |
|------------------|--|---|--|
| Term loans       | 11,405                                   | 218,295                                 | 229,700  |
| Hire purchase    | 5  | 75                                      | 80   |
| Bank overdrafts  | 6,892                                    | -                                       | 6,892  |
|                  | 18,302                                   | 218,370                                 | 236,672  |

All borrowings of the Group are denominated in Ringgit Malaysia.

**B9. Material litigation**

A subsidiary of the Company, PBJV Group Sdn. Bhd. ("PBJV"), filed a claim on 10 April 2013 against Target Resources Corporation Sdn. Bhd. and Target Energy Co. (M) Sdn. Bhd. for an amount of RM4,757,940 plus interest and costs in respect of pipeline pre-commissioning works done in accordance with the contract work awarded to PBJV.

The Order 14 Application for Summary Judgment filed by PBJV was dismissed by the Court for which PBJV had then filed in an appeal against the Order 14 Application in the Court of Appeal and a Notice of Interrogation in the High Court of Kuala Lumpur.

The full trial dates have been fixed on 27 and 28 January 2014.

**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 JUNE 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (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<br>Current year<br>quarter<br>30 June 2013 | Unaudited<br>Preceding year<br>quarter<br>30 June 2012 | Unaudited<br>Current year<br>to date<br>30 June 2013 | Unaudited<br>Preceding year<br>to date<br>30 June 2012 |
| Profit attributable to the owners of the Company (RM'000)  | 5,375  | 1,087  | 30,456   | 19,239   |
| Weighted average number of ordinary shares in issue ('000) | 484,545  | 484,545  | 484,545  | 484,545  |
| Basic earnings per share (sen)                             | 1.11   | 0.22   | 6.29   | 3.97   |

(b) Diluted earnings per share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current financial quarter and financial year-to-date.

QUARTERLY REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 JUNE 2013

**B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (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 June 2013</b> | <b>30 September 2012</b> |
|                                     | <b>RM'000</b>       | <b>RM'000</b>            |
| Total retained profits of the Group |                     |                          |
| - Realised                          | 141,315             | 110,859                  |
| - Unrealised                        | (5,044)             | (5,044)                  |
|                                     | <u>136,271</u>      | <u>105,815</u>           |