

## **BARAKAH OFFSHORE PETROLEUM BERHAD**

(Company No. 980542-H)  
(Incorporated in Malaysia)

### **SUMMARY OF KEY MATTERS DISCUSSED DURING 6<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF BARAKAH OFFSHORE PETROLEUM BERHAD DULY CONVENED AND HELD AT FUNCTION ROOM CLUB GOLF, SERI SELANGOR GOLF CLUB, PERSIARAN DAMANSARA INDAH, OFF PERSIARAN TROPICANA JALAN PJU 31/9, 47810 PETALING JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 27 JUNE 2018 AT 9.30 A.M.**

Dato’ Mohamed Sabri Mohamed Zain (“the Chairman”) chaired the AGM of the Company. The Chairman called the meeting to order at 9.30 a.m. after the Secretary confirmed that the requisite quorum being present pursuant to the Company’s Articles of Association.

#### **Agenda 1**

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of Directors and Auditors thereon were circulated to all the shareholders of the Company within the statutory period.

At the invitation of the Chairman, Encik Nik Hamdan Bin Daud (“Encik Nik”), the Group President and CEO, presented an overview of the operational and financial highlights of the Company for the financial year ended 31 December 2017, which included, among others, the following:-

1. Financial performance in 2017;
2. Immediate actions for improvement;
3. Safety performance;
4. Industry outlook and prospect;
5. Summary of business strategy; and
6. Brief overview of projects in 2017

The Chairman then proceeded to invite questions from the shareholders and proxies.

Mr. William Ng, a proxy holder enquired on the worst case scenario that can happen to KL101 in the event if the barge continues not to get deployed and failed to be disposed of. Encik Nik responded that the priority now is to actively seeking for suitable contracts for KL101 or to identify a potential purchaser. Encik Firdauz Edmin Bin Mokhtar (“Encik Firdauz”) highlighted KL101 is subject to annual valuation and impairment. The amount of impairment would depend on the market value of the barge. During the financial year ended 31 December 2017, the barge was valued at US\$70 million. However, the Management took up a lower value at US\$65 million. A new valuation will be carried out in year 2018. Encik Firdauz commented that the current market is improving and this will give a better valuation to the barge. If the value turns out to be good, there shall be lower or no impairment at all. When the Oil and Gas (“O&G”) market improves in the future, there will be higher demand for the barge hence the market value will also increase accordingly. Encik Nik added that the Group’s top priority now is to secure more projects and bring in more cashflow.

Mr. Kumar, a proxy holder enquired on how Barakah is going to secure for more contracts in this challenging environment and requested the Board to also explain on pricing and margin of contracts. Encik Nik explained that the market needs to get use to the new oil price of between US\$50-60 per barrel (“The New Normal”). The profit margin is expected to be lower. The industry players put in very competitive pricing in order to succeed in bidding for jobs while maintain a profit margin. This is done by reducing costs and deploying more technologies. The

Chairman added that on a broader picture, every O&G player has to remain competitive and hence profit margin is expected to be lower. Encik Nik further commented that Barakah has been looking for strategic partnership for the last one year. He gave an example that the strategic partnership will look at utilizing KL101. This type of strategic partnership will bring added value to the Group to ensure sustainability. The focus will be on local players. He quoted Samling Group, who is now a major shareholder of the Company as a strategic partner. Samling Group's strengths are such as support for marines. Their capabilities include downstream jobs and possess resources like heavy machinery.

Encik Mohd Azahari, a shareholder requested the Board to consider implementing share buy-back in Barakah as the current market share price is low. Encik Abdul Rahim Bin Awang ("Encik Rahim") explained that the current focus is to maintain healthy cashflow and to conserve cash instead of using it for share buy-back. There are lots of projects that are expected in year 2019 and after. The Group should conserve cash for funding those projects. Encik Nik added that the share price will improve once the Company's position gets strengthened.

Encik Sufian, a proxy holder enquired on the projection for year 2018. Encik Nik informed that 2018 remains a challenging year for the O&G industry. However, he expressed optimism in the industry from year 2019 onwards. He added that Barakah has been actively involved in bidding for projects. If Barakah succeeds in bidding for some of the projects, contracts will be carried out as soon as in the quarter 4 of 2018.

Encik Sufian continued to enquire on the hike in non-executive directors' fee. Encik Nik informed that the increase is due to increase in head count plus higher allowances paid resulting from more meetings held during the year.

There being no further question raised, the Chairman proceeded to the next Agenda.

### **Agenda 2-7**

There was no question raised for Agenda items 2 to 7.

### **POLLING**

Mr. Chan Wei Heng, representative of Boardroom Corporate Services (KL) Sdn Bhd. briefed the floor on the polling procedures. Thereafter, the shareholders and proxies proceeded to cast their vote accordingly.

The Chairman then declared that the Meeting be adjourned at 12.05 p.m. for the Share Registrar and the Scrutineers to count and tabulate the poll results respectively.

### **OUTCOME OF AGM - POLL RESULTS**

The Chairman welcomed all the shareholders and proxies back to the Meeting at 12.25 p.m. He invited the independent scrutineer to announce the results on voting by poll. The results of the poll are as follows:-

Resolution	No. of shares voted in favour	Total %	No. of shares voted against	Total %
Ordinary Resolution 1 Re-election of Dato' Mohamed Sabri bin Mohamed Zain	505,138,805	99.997	16,003	0.003
Ordinary Resolution 2 Re-election of Encik Azman Shah bin Mohd Zakaria	505,138,805	99.997	16,003	0.003
Ordinary Resolution 3 Re-election of Datuk Chew Theam Hock	505,317,805	99.997	17,003	0.003
Ordinary Resolution 4 Payment of Directors' Fees	459,761,754	91.014	45,393,039	8.986
Ordinary Resolution 5 Payment of Directors' Benefits	505,061,754	99.982	93,039	0.018
Ordinary Resolution 6 Re-appointment of Auditors	505,139,805	99.997	15,003	0.003
Ordinary Resolution 7 Authority to Allot Shares	505,094,805	99.996	20,003	0.004

The Chairman then declared that the following resolutions were duly carried as follows:-

**Ordinary Resolution 1**

“THAT Dato' Mohamed Sabri bin Mohamed Zain retiring pursuant to Article 86 of the Company's Constitution be and is hereby re-elected as Director of the Company.”

**Ordinary Resolution 2**

“THAT Encik Azman Shah bin Mohd Zakaria retiring pursuant to Article 86 of the Company's Constitution be and is hereby re-elected as Director of the Company.”

**Ordinary Resolution 3**

“THAT Datuk Chew Theam Hock retiring pursuant to Article 92 of the Company's Constitution be and is hereby re-elected as Director of the Company.”

**Ordinary Resolution 4**

“THAT the payment of Directors' fees of RM51,300 per month for the Non-Executive Directors from 28 June 2018 until the next Annual General Meeting of the Company be and is hereby approved.”

**Ordinary Resolution 5**

“THAT the payment of Directors’ benefits of up to RM240,075 for the Non-Executive Directors from 28 June 2018 until the next Annual General Meeting of the Company be and is hereby approved.”

**Ordinary Resolution 6**

“THAT Messrs. Crowe be re-appointed Auditors at a remuneration to be fixed by the Directors of the Company.”

**Ordinary Resolution 7**

“THAT, subject always to the Sections 75 and 76 of the Companies Act 2016 (“the Act”), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**Close of Meeting**

As there were no other matters, the Meeting ended at 12.30 p.m. with a vote of thanks to the Chair.

Dato’ Mohamed Sabri Mohamed Zain  
Chairman