www.carimin.com

CARIMIN PETROLEUM BERHAD (908388-K)

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CARIMIN PETROLEUM BERHAD (908388-K)

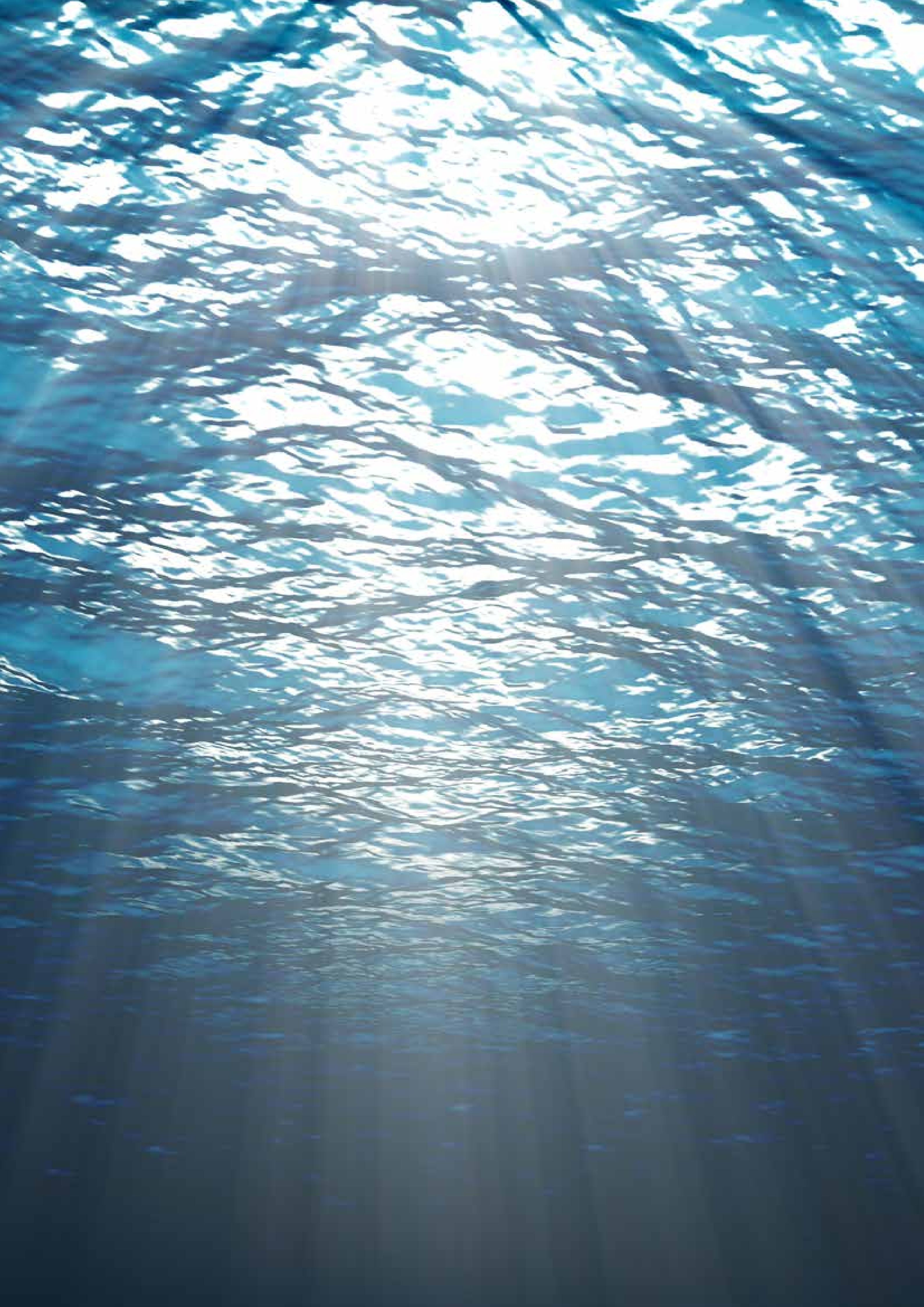
Annual Report 2016

CARIMIN
GROUP OF COMPANIES

CARIMIN PETROLEUM BERHAD
(Company No. 908388-K)

Annual Report 2016

Adapting to a Changing Environment



CONTENTS

ABOUT CARIMIN

Established in 1989, CARIMIN evolved to become one of the pioneer Bumiputera companies providing technical and engineering support services in the Oil and Gas Industry in Malaysia.

CARIMIN specializes in engineering, scheduled/work pack development, procurement, structural/piping fabrication, electrical/instrumentation installation, precommissioning and commissioning activities. This includes the deployment of marine vessels such as work barges, accommodation vessels, crew boats and anchor handling tug supply vessels as part of the marine spread activities.

The business for the company grew steadily over the past decade from being a manpower service provider to a dynamic and emerging contractor in integrated maintenance, rejuvenation, hook-up and commissioning of onshore/offshore for the Oil and Gas support industries.

Our competency lies in offering unique and feasible solutions to achieve the desired results in accordance with the Client's expectations. To date, CARIMIN has amassed and completed projects valued more than RM 1 billion since its inception and among our notable portfolio of clients include oil giants PETRONAS Carigali, Shell, Murphy Oil, Repsol, Exxon Mobil, New Field, Petrofac, HESS and Nippon Oil.

In our registry, we own an anchor handling tug supply vessel ("AHTS"), named CARIMIN Airis, an accommodation work boat ("AWB") named CARIMIN Acacia and another AWB named SK Deep Sea via our 14% investment in Synergy Kenyalang Offshore Sdn Bhd. Both the AHTS and AWB are integral to the Group's offshore HUC, production platform system maintenance, upgrading services and as well the marine support services.

CARIMIN was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 10 November 2014.

CARIMIN Group of Companies

Strengthened by our strategic collaboration with global partners, Carimin is in a strong position to offer enhanced services at the highest possible industry competence and quality expectations.

CARIMIN Sdn Bhd

- Provision Of Professional Technical & Non-Technical Personnel Service
- Geophysical Services
- Engineering Consultancy & Technical Support
- Quality Assurance & Integrated Inspection Services

CARIMIN Engineering Services Sdn Bhd

- Hook-up & Commissioning
- Topside & Facilities Maintenance
- Retrofit, Rejuvenation & Maintenance
- Fabrication & Construction Of Offshore Structure
- Piping & Associated Work
- Installation & Support Services

CARIMIN Equipment Management Sdn Bhd

- Asset & Yard Management
- Management Of Project Equipment Materials Receiving
- Equipment Inspection And Maintenance

CARIMIN Marine Services Sdn Bhd
→ **CARIMIN Airis Offshore Sdn Bhd**
→ **CARIMIN Acacia Offshore Sdn Bhd**

- Offshore Support Vessel Services
- Offshore Transportation
- Marine Spread Charter & Maintenance

CARIMIN Corporate Services Sdn Bhd

- Corporate Affairs
- Human Capital Management Services
- Finance & Accounting Support
- Invoicing & Cost Control Management
- Supply Chain Management
- Business Development

CARIMIN Resources Services Sdn Bhd

- Project & Management Services
- Consultancy & Services

CARIMIN Bina Sdn Bhd
(formerly known as Noblecorp Builders Sdn Bhd)

- General Civil Contracting
- Geotechnical Engineering

KEY MILESTONES

1989

Carimin Sdn Bhd (CSB) was incorporated.

1990

CSB began business operations with the provision of manpower supply services.

1992

Secured a 2-year contract from Esso Malaysia to provide general inspection services.

1997

Secured a manpower supply services contract to supply technical professionals. The contract was carried out over a 4-year period.

2000

Secured a manpower supply services contract to supply drilling professional from Murphy Oil.

2003

Diversified our business to provide minor fabrication services for the offshore oil and gas industry.

2004

Continued to diversify our business, and started to provide production platform system maintenance services. Our first production platform system maintenance service project was for Petronas Carigali, involving topside maintenance for a platform offshore Terengganu.

Cipta Pantas Sdn Bhd and Mokhtar bin Hashim carried out a management buyout exercise to acquire CSB. Cipta Pantas Sdn Bhd owned a 51% equity stake, and Mokhtar bin Hashim owned a 49% equity stake in CSB at the completion of the exercise.

2005

Our minor fabrication yard located at Jalan Jakar in Kemaman, Terengganu began to operate.

2006

Carimin Engineering Services Sdn Bhd (Carimin Engineering) began business operations.

2007

Secured our first offshore hook up and commissioning contract, which was from Murphy Oil in Malaysia.

Secured hook up and commissioning contract from Talisman.

2010

Secured the Sarawak/Sabah hook up and commissioning contract.

Relocated our minor fabrication facilities from Jalan Jakar in Kemaman, Terengganu to a new facility at Kawasan Indsutri Telok Kalong in Kemaman, Terengganu.

2011

Carimin Equipment Management Sdn Bhd began business operations. We began to provide equipment rental services.

CSB received ISO 9001:2008 quality management system certification for the scope of “Provision of manpower supply for oil and gas industry”.

Carimin Engineering received ISO 9001:2008 quality management system certification for the scope of “Provision of engineering, procurement, construction, hook up and commissioning for oil and gas industry”.

2012

Through Carimin Marine Services Sdn Bhd, Carimin has a 14% investment in Synergy Kenyalang Offshore Sdn Bhd, who owns SK Deep Sea, an Accommodation Work Boat, paving the way for Carimin’s entry into the provision of offshore marine support vessel services.

2013

Acquired Carimin Airis, an Anchor Handling Tug Supply vessel.

Secured the Peninsular Malaysia hook up and commissioning contract.

2014

Successfully listed on the Main Market of Bursa Malaysia.

Commissioned to build Carimin Acacia, an Accommodation Work Boat.

2015

Secured an Umbrella (2 years) contract for the provision of spot charter marine vessel from Petronas.

Secured a (2+1 years) contract from Lundin for provision of topside major maintenance in Bertam offshore oil field.

2016

Delivery of new built Accommodation Work Boat, Carimin Acacia.

Acquired Noblecorp Builders Sdn Bhd now known as Carimin Bina Sdn Bhd and diversify into general Contracting Business and geotechnical engineering.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Kamaruzzaman Bin Shariff
Non-Independent Non-Executive Chairman

Mokhtar Bin Hashim
Managing Director

Shatar Bin Abdul Hamid
Executive Director

Lim Yew Hoe
Executive Director

Yip Jian Lee
Independent Non-Executive Director

Mohd Rizal Bahari Bin Md Noor
Independent Non-Executive Director

Wan Muhamad Hatta Bin Wan Mos
Independent Non-Executive Director

Dato' Ir Mohamad Razali Bin Othman
Independent Non-Executive Director

AUDIT COMMITTEE
Yip Jian Lee (Chairperson)
Mohd Rizal Bahari Bin Md Noor
Wan Muhamad Hatta Bin Wan Mos

NOMINATION COMMITTEE
Mohd Rizal Bahari Bin Md Noor (Chairman)
Tan Sri Dato' Kamaruzzaman Bin Shariff
Yip Jian Lee

REMUNERATION COMMITTEE
Dato' Ir. Mohamad Razali Bin Othman (Chairman)
Mokhtar Bin Hashim
Yip Jian Lee

RISK MANAGEMENT COMMITTEE
Wan Muhamad Hatta Bin Wan Mos (Chairman)
Dato' Ir. Mohamad Razali Bin Othman
Mokhtar Bin Hashim
Shatar Bin Abdul Hamid

COMPANY SECRETARIES
Tea Sor Hua (MACS 01324)
Yong Yen Ling (MAICSA 7044771)

REGISTERED OFFICE
Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor
Tel : 03-7725 1777
Fax : 03-7722 3668

HEAD OFFICE
B-1-6, Block B, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-2168 7000
Fax : 03-2164 2199

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

AUDITORS
Crowe Horwath (AF 1018)
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : 03-2788 9999
Fax : 03-2788 9998

PRINCIPAL BANKERS
Alliance Bank Malaysia Berhad
Bank Pembangunan Malaysia Berhad
Malayan Banking Berhad
Malaysia Debt Ventures Berhad
United Overseas Bank (Malaysia) Berhad

STOCK INFORMATION
Bursa Malaysia Securities Berhad
Main Market
Stock Name : CARIMIN
Stock Code : 5257

CORPORATE STRUCTURE
AS AT 20 OCTOBER 2016

CARIMIN
GROUP OF COMPANIES

CARIMIN PETROLEUM BERHAD
(Company No. 908388-K)
Investment Holding

100% — **CARIMIN SDN BHD**
Manpower Supply Services.

100% — **CARIMIN ENGINEERING SERVICES SDN BHD**
Offshore hook up and commissioning services, and engineering, fabrication and maintenance services.

100% — **CARIMIN CORPORATE SERVICES SDN BHD**
Corporate and management services.

100% — **CARIMIN EQUIPMENT MANAGEMENT SDN BHD**
Management of fabrication yards and equipment rental services.

100% — **CARIMIN MARINE SERVICES SDN BHD**
Chartering off offshore support vessel

- 100% — **CARIMIN AIRIS OFFSHORE SDN BHD**
- 100% — **CARIMIN ACACIA OFFSHORE SDN BHD**
- 14% — **SYNERGY KENYALANG OFFSHORE SDN BHD**

100% — **CARIMIN RESOURCES SERVICES SDN BHD**
Dormant

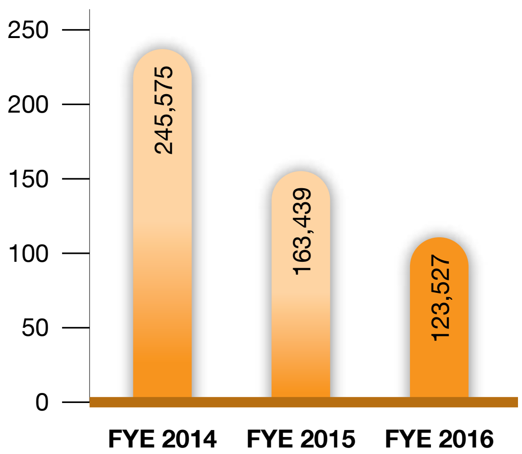
- 60% — **CARIMIN BINA SDN BHD**
(formerly known as Noblecorp Builders Sdn Bhd)
General Contracting work and inflammation of geotechnical products.

Oil and Gas supported services
Dormant
Civil Engineering

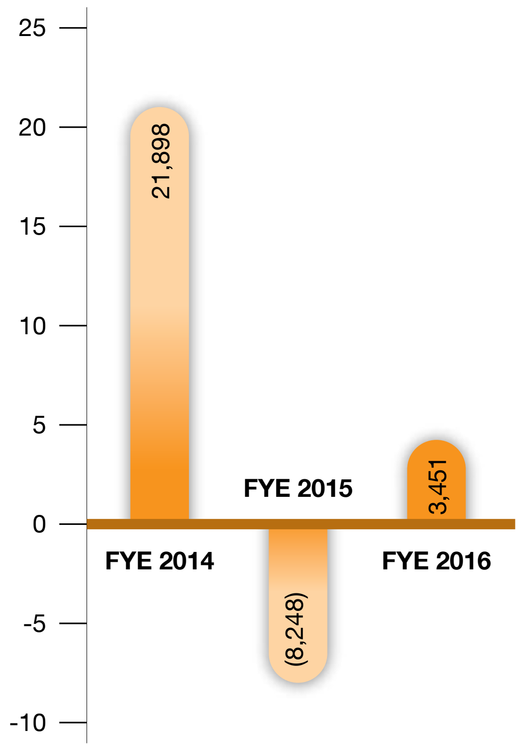
FINANCIAL HIGHLIGHTS

	FYE 2016 RM'000	FYE 2015 RM'000	FYE 2014 RM'000
Financial Results			
Revenue	123,527	163,439	245,575
Profit/(Loss) before tax	6,287	(5,161)	30,649
Profit/(Loss) after tax	3,451	(8,248)	21,898
Net profit/(loss) attributable to:			
Owners of the Company	3,452	(8,246)	21,898
Non-controlling interests	(1)	(2)	-
Financial Position			
Assets			
Property, plant and equipment	146,380	131,488	53,065
Investments	5,118	5,139	3,690
Current assets	124,431	178,648	147,727
Total assets	275,929	315,275	204,482
Equity			
Share capital	116,939	116,939	86,589
Non-distributable reserves	(48,354)	(48,356)	(80,785)
Retained earnings	94,482	91,033	101,618
Total equity attributable to owners of the company	163,067	159,616	107,422
Non-controlling interests	-	(2)	-
Liabilities			
Deferred tax liabilities	1,027	691	-
Bank borrowings	94,581	44,400	41,899
Current liabilities	17,254	110,570	55,161
Total equity and liabilities	275,929	315,275	204,482
WA no. of ordinary share	**233,878,000**	**211,926,219**	**173,178,000**
Financial Indicators			
Earnings/(Loss) per share (sen)	**1.48**	**(3.89)**	**12.64**
Net dividend per share (sen)	**-**	**1.00**	**N/A**
Net assets per share (RM)	**0.70**	**0.75**	**0.62**
Return on equity (%)	**2.12**	**(5.17)**	**20.39**

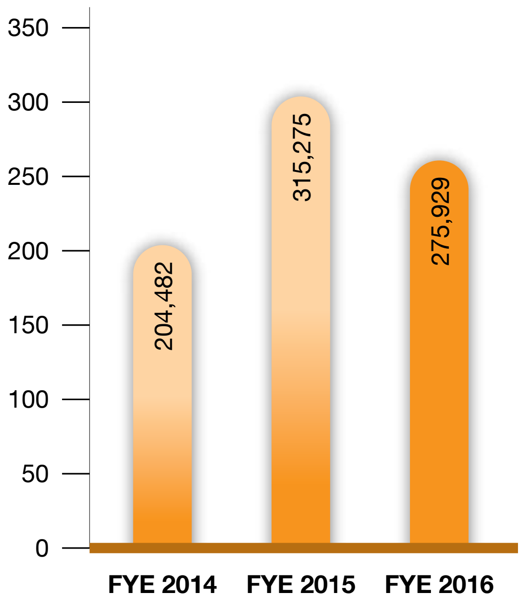
Revenue (RM'000)



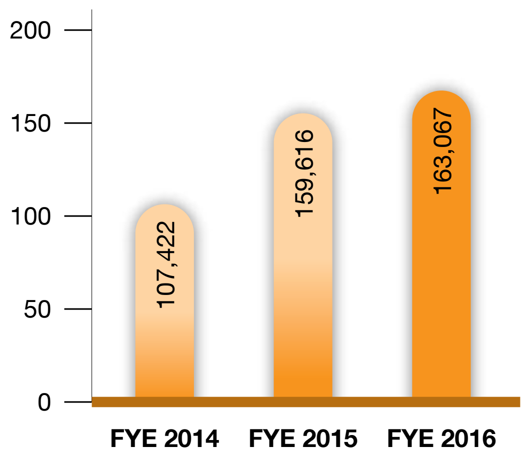
Profit After Tax (RM'000)



Total Asset (RM'000)



Shareholders' Equity (RM'000)

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TAN SRI DATO' KAMARUZZAMAN BIN SHARIFF

Malaysian, Aged 75, Male

Non-Independent Non-Executive Chairman

Tan Sri Dato' Kamaruzzaman Bin Shariff was appointed to the Board on 7 January 2014 as our Non-Independent Non-Executive Chairman. He is a member of the Nomination Committee of the Company.

He graduated with a Bachelor of Arts Degree from the University of Malaya in 1964 and obtained a Diploma in Public Administration from Carleton University, Canada in 1969. Later in 1979, he obtained a Master's in Public Administration from Syracuse University, United States. In 1964, his career started as a Government Service Officer with the Ministry of Education. He then joined the Public Service Department in 1972 as an Assistant Secretary. He then served in the Prime Minister's Department from 1980 to 1988, where he was the Director of External Assistance and General Affairs for the Economic Planning Unit from 1980 to 1983, and the Secretary of the Cabinet Division from 1983 to 1988. He was then appointed as the Penang State Secretary later that same year. Subsequently in 1992, he returned to the Public Service Department as Deputy Director General and, in the same year, he was appointed as Secretary General of the Ministry of Defence. He was Mayor of Kuala Lumpur from 1995 to 2001. He was appointed as a Director of our Group in 2004. He is currently the Non-Executive Chairman of Bintai Kinden Corporation Berhad.

MOKHTAR BIN HASHIM

Malaysian, Aged 57, Male

Managing Director and Key Senior Management

Mokhtar Bin Hashim was appointed to the Board on 7 January 2014 as our Managing Director. He is a member of the Remuneration Committee and Risk Management Committee of the Company.

In 1976, he obtained a Malaysian Certificate of Education from the Royal Military College, Sungai Besi, and completed his A-Levels at Llandrillo Technical College, United Kingdom in 1979. In 1982, he graduated with a Bachelor of Science Degree in Civil Engineering from the University of Salford, United Kingdom and in the same year, he started his career with the Public Works Department as a Road Design Engineer. In 1984, he left the Public Works Department and joined Esso Malaysia where he held various posts including Project Construction Supervisor, Senior Contracts Engineer/Administrator, Senior Construction Engineer, Senior Off-Take and Structures Engineer, Lead Construction Supervisor and Senior Fabrication Supervisor. Subsequently in 1994, he left Esso Malaysia and joined our Group. Since then, he has been instrumental in the growth and development of our Group. As the Managing Director, he is currently responsible for the overall management and charting strategic directions of our Group.

SHATAR BIN ABDUL HAMID

Malaysian, Aged 50, Male

Executive Director and Key Senior Management

Shatar Bin Abdul Hamid was appointed to the Board on 7 January 2014 as our Executive Director. He is a member of the Risk Management Committee of the Company.

He obtained a Diploma in API 653 Above Ground Tank Management from the Singapore Welding Society in 1998. He started his career with Sime Sembawang Engineering Sdn Bhd (now known as Sime Darby Engineering Sdn Bhd) as a Quality Assurance/ Quality Control Inspector in 1984. In 1987, he left Sime Sembawang Engineering Sdn Bhd and joined Velosi (M) Sdn Bhd as a Welding and Barge Inspector. In 1991, he left Velosi (M) Sdn Bhd and joined Atkins Inspection Services Sdn Bhd as a General Inspector. He left Atkins Inspection Services Sdn Bhd in 1992 and joined EMS Engineering Services (M) Sdn Bhd as Senior General Welding Inspector. Through the company, he was seconded to various companies including Intelsma Co Sdn Bhd, DSD Construction Co (M) Sdn Bhd, Teknispek Sdn Bhd, Arashin Sdn Bhd and OGP Consultancy. He left EMS Engineering Services (M) Sdn Bhd and joined our Group in 1998 as a Construction Site Supervisor and was later promoted to Senior Construction Engineer in 2003. In 2005, he left our Group and joined Petronas Carigali as Senior Construction Engineer and Project Manager. He left Petronas Carigali in 2007 and joined Carimin Engineering Services Sdn Bhd as Project Director and Project Manager, and currently holds the position of Technical Director of our Group. He is currently responsible for overseeing our project management activities including cost control, performance, asset management, procurement, manpower, quality, safety and negotiations.

LIM YEW HOE

Malaysian, Aged 48, Male

Executive Director and Key Senior Management

Lim Yew Hoe was appointed to the Board on 19 April 2016 as our Executive Director.

He has been involved in the construction industry for more than 20 years. He started his career with Intan Kuala Lumpur Sdn Bhd, a company involved in geosynthetic engineering and later joined the Emas Kiara Industries Berhad (now known as MB World Group Berhad) Group in 1995 where he played an active role in the growth of the group's geosynthetic supply and installation business. En. Lim was also involved in the development of design and build projects with geosynthetic engineering and a key member of the group's expansion to overseas markets.

In 2001, he obtained an Executive Master's in Business Administration from Greenwich University, Australia. He was also an Executive Director of Emas Kiara Industries Berhad Group from 1999 to February 2016 and responsible for finance, operations management and business development of the group.

YIP JIAN LEE

Malaysian, Aged 61, Female

Independent Non-Executive Director

Yip Jian Lee was appointed to the Board on 7 January 2014 as an Independent Non-Executive Director. She is the Chairperson of the Audit Committee, and a member of the Nomination Committee and Remuneration Committee of the Company.

She qualified as a Chartered Accountant with the Institute of Chartered Accountants, England & Wales in 1981, and is a member of the Malaysian Institute of Accountants since 1984. She completed her articleship with Hays Allan, United Kingdom between 1977 and 1981. She joined PricewaterHouse Tax Services Sdn Bhd in 1982, where she was a Tax Supervisor. She then joined Hong Leong Assurance Berhad in 1985 as a Finance & Admin Manager. Later that year, she joined the Institute of Bankers Malaysia as a Director where she served for 15 years before leaving in 2000. Currently, she is on the board of Tokio Marine Insurans (Malaysia) Berhad and Asia General Asset Berhad.

MOHD RIZAL BAHARI BIN MD NOOR

Malaysian, Aged 46, Male

Independent Non-Executive Director

Mohd Rizal Bahari Bin Md Noor was appointed to the Board on 14 February 2014 as an Independent Non-Executive Director. He is the Chairman of the Nomination Committee, and a member of the Audit Committee of the Company.

He is currently practising law in Messrs Bahari & Bahari. He graduated with a LLB (Hons) Degree from the University of Newcastle Upon Tyne, United Kingdom in 1993. In 1994, he completed his Certificate of Legal Practice and was admitted to the Malaysian Bar in 1995. He has also completed Level 2 (Certificate) of the Chartered Association of Certified Accountants in 1994.

WAN MUHAMAD HATTA BIN WAN MOS

Malaysian, Aged 63, Male

Independent Non-Executive Director

Wan Muhamad Hatta Bin Wan Mos was appointed as an Independent Non-Executive Director on 14 February 2014. He is the Chairman of the Risk Management Committee and a member of the Audit Committee of the Company.

He graduated with a Bachelor of Engineering (Civil) degree from the University of Malaya in 1977. He obtained his Master of Science in Highway Engineering from the University of Birmingham, United Kingdom in 1989. He is a registered Professional Engineer with Board of Engineers Malaysia, a member to The Institute of Engineers Malaysia and also a member to the Road Engineering Association of Asia & Australasia.

He started his career with the Public Works Department in 1977 as a Civil Engineer in the Design and Research Division, and was promoted to Resident Engineer in 1984, where he was responsible for supervising construction works for airport development. During his tenure with the Public Works Department, he attended the University of Birmingham to pursue his Master of Science in 1988 and 1989. Thereafter, he returned to his position in the Public Works Department and served until 1990. He then joined Kinta Kelas Berhad, a project management company as Regional Construction Manager in 1990, and was promoted to Head of Contract Division in 1994. He left Kinta Kelas Berhad in 1996 and joined Cahya Mata Sarawak Berhad as the Executive Director of its construction arm. He was with Cahya Mata Sarawak Berhad between 1996 and 2001, where he was responsible for construction works comprising roads, highways, bridges, buildings, water treatment plants, seaports and airports in Sarawak. In 2002 he acquired an equity stake in Embun Pelangi Sdn Bhd, a construction company. He is also a shareholder in HTM Consultants Sdn Bhd, a civil and structural engineering services company.

DATO' IR. MOHAMAD RAZALI BIN OTHMAN

Malaysian, Aged 64, Male

Independent Non-Executive Director

Dato' Ir. Mohamad Razali Bin Othman was appointed to the Board on 14 February 2014 as an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee, and a member of the Risk Management Committee of the Company.

He graduated with a Bachelor of Engineering (Honours) (Civil) from the University of Malaya in 1977. He subsequently obtained a Master of Science in Construction Management from Loughborough University of Technology, United Kingdom in 1989. He is a registered Professional Engineer with Board of Engineers Malaysia, a Council Member of the Chartered Institution of Highway and Transport Malaysian Branch, a Member of the Institution of Engineers Malaysia, a Member of the Road Association of Malaysia, and a Member of the Association of Consulting Engineers.

He began his career with the Public Works Department as an Engineer in 1977. He served the Ministry of Works in a number of senior positions, including Director of Operations, Malaysian Highway Authority between 1992 and 1995; Senior Superintending Engineering at the Public Works Department Headquarters (Road Maintenance) between 1995 and 1998; Director of Roads between 2000 and 2005; Deputy Director General and Acting Director General in 2007; and Director General of the Malaysia Highway Authority between 2007 and 2009. As the Director of Roads, he had overall responsibility for the road and highway maintenance and construction projects that were undertaken during his tenure, including the planning, design, tendering, contract negotiation, construction and post-construction stages. As the Director General of the Malaysia Highway Authority, he was responsible for monitoring the concession companies to ensure that the privatised highways were constructed and maintained in accordance to the specified standards. He left the Government service in 2009 and was appointed Chairman of the KL-Kuala Selangor Expressway Bhd (LATAR Expressway), a position that he currently holds.

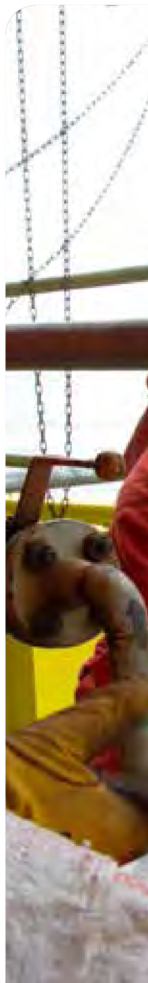
Notes:

1. *None of the Directors have family relationships with any Directors and/or major shareholders of the Company.*
2. *None of the Directors have any conflict of interests with the Company.*
3. *None of the Directors have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2016, other than traffic offence.*


高升
KEMAJUAN

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the audited financial statements of Carimin Petroleum Berhad ("Carimin" or the "Group") for the financial year ended 30 June 2016 ("FYE2016").



INTRODUCTION

The year in review marks our second year as a public listed entity and it has certainly been a challenging period for the oil and gas industry. The effects of a global decline in crude oil prices as well as turbulent global economic conditions continued to be felt, resulting in oil and gas majors trimming back on both capital ("Capex") and operational expenditures ("Opex"). The ensuing cut-back had a significant impact on the industry, especially for companies operating within the upstream segment.

Carimin responded to the challenging environment by initiating various measures to maintain business sustainability and shareholder value. We have been pro-active in re-aligning our business model and organisational structure to remain competitive while maintaining our level of service to our clients.

Despite the challenges faced during the year under review, Carimin continued to make progress and registered a return to profitability in FYE2016.

REVIEW OF BUSINESS AND FINANCIAL PERFORMANCE

In FYE2016, crude oil prices had dropped to USD30 per barrel before normalising at USD40-USD50 per barrel. Traditional oil producing economies including OPEC and non-OPEC member countries continued to produce high levels of crude in a bid to maintain their production quota and market share. The scenario which had first emerged at the tail-end of 2014 persisted to 2016, exacerbating existing market conditions.

The abundant supply of shale oil and slower than expected economic recovery from the US, China and Europe also compounded the situation, as the world market could not absorb the excess oil production.

Oil and gas majors, in response to the depressing environment in FYE2016, embarked on cost-cutting measures – implementing cuts on Capex and Opex. PETRONAS alone trimmed its Capex and Opex budget for 2016 by a combined value of RM15-20 billion. This resulted in projects having deferred or cancelled, reduced numbers of contract award and re-negotiation of the contract terms which had impacts on financial performances.

On a positive note, the Group remain resilient by achieving various business and operational core activities. The Group recorded a return to profitability, recording a profit after tax of RM3.45 million for the FYE 2016 as compared to the loss after tax of RM8.25 million in the previous financial year. The turnaround performance cumulated from realized foreign exchange gain and better cost management but was offset by higher financing cost and impairments on project cost.

For FYE2016, Group revenue declined by 24.42% to RM123.53 million compared to RM163.44 million registered in FYE2015. The drop in the revenue was attributed to lower contributions from the manpower services and offshore Hook Up and Commissioning businesses. Both divisions saw fewer and smaller value work orders executed due to reduction of oil and gas activities in Malaysia.

The Group's RM101.46 million Accommodation Workboat ("AWB"), Carimin Acacia arrived in April 2016 as planned during the Initial Public Offer exercise which was part financed by a term loan. Although the Group's gearing ratio increased from 0.28 times to 0.58 times due to the acquisition, the Group's balance sheet remains healthy with total equity amounting to RM163.07 million as at 30 June 2016, and a net cash position of RM68.57 million.

HOOK UP AND COMMISSIONING

During FYE2016, Carimin executed the RM23 million Angsi (Lump Sum) Water Flooding Optimisation (WFO) project with close to 60% completion achieved and RM14.9 million was billed during the year.

On 8th July 2015, Carimin received a letter of award from Lundin Malaysia B.V. for the provision of topside major maintenance ("TMM") services based on a Work Order issuance basis for Lundin's Wellhead Platform ("WHP") and Floating Production Storage and Offloading ("FPSO") unit, located in the Bertam offshore oil field. Work on the contract has commenced and is expected to run until July 2017 with a provision of a one year extension.

On 24th February 2016, Carimin was awarded a contract by Petronas Carigali Sdn Bhd ("PCSB") for the provision of mechanical static maintenance services. The contract has since commenced with completion slated for March 2018 with an option to extend for another one year.

MANPOWER SERVICES

The division posted a total revenue of RM56.06 million during FYE2016 and continue to draw from its existing manpower contract awarded by major clients like Petronas Carigali, Sarawak Shell and Repsol.

New contracts continue to be secured, where the division order book increased by another RM13.0 million from the award of manpower services contract during the year.

MARINE SERVICES

With regard to vessel charter, the work orders awarded by PCSB for the provision of Anchor Handling Tug Services ("AHTS") and AWB drawn under the PCSB master contract were further extended to September 2016 and is expected to be renewed.

A key business decision taken in FYE2016 was to manage our own vessels in line with Petronas licensing requirements. Apart of the benefits of owner managed vessels with expected reduction in operating costs, it also provides the opportunity to develop internal resources and capabilities while instilling greater confidence among oil and gas majors. Having better management control will hold us in good stead when bidding for future contracts including regional locations. This decision is further justified with the arrival of our second vessel, Carimin Acacia.

CONSTRUCTION

On 20 July 2016, Carimin marked its entry into the construction industry in line with its strategy to diversify its revenue and earnings base by tapping on the growing local construction sector. The Group has acquired 60% interest in Noblecorp Builders Sdn Bhd, now known as Carimin Bina Sdn Bhd ("CBSB"), a full-fledged civil engineering company registered with the Construction Industry Development Board ("CIDB") Malaysia with G7 grade classification.

The proposed diversification will enhance the revenue stream of the Group, providing us with a greater measure of confidence in weathering the current business environment as the outlook for the construction industry is positive. Additionally, we are able to tap onto the assets of CBSB such as their pool of experiences, sub-contractors/ suppliers and their current order book, to fast-track our establishment as a construction player. CBSB currently has a balance book order of RM16.04 million.

The Company is seeking shareholder's approval for the proposed diversification at an Extraordinary General Meeting ("EGM") scheduled to be held on 22 November 2016.

DIVIDEND

In anticipation of the low demand from the existing core business and the required working capital by the Group's proposed diversification into the construction business, the Board of Directors does not recommend any payment of dividend for the financial year under review.

OUTLOOK AND PROSPECTS

The immediate future for the oil and gas sector is likely to remain subdued – weighed down by the twin effects of oversupply of crude and low oil prices. While recent decision by OPEC to reduce daily crude oil output by 1-1.5 million barrels has given some measure of optimism, it is unlikely to be sufficient to see a quick return of the oil prices to the USD70-80 mark this year or even in 2017. The slow recovery of the global economic will also have a dampening effect on the overall consumption.

Given the present low-oil price environment and tight market conditions, we expect market competition to be stiff with more players bidding for a limited number of contracts causing further pressure on the thin margin.

The industry outlook is expected to remain uncertain over the next year and the Board is in support of the proactive steps taken by management to ensure that the Group is able to deliver on its strategy to aggressively rebase its costs and ensure long-term sustainability of the business, thereby protecting and enhancing the value for shareholders.

We remain in a healthy position financially with a stable cash reserve. Our order book as well as long-term contracts provide some measure of insulation for the coming financial year. Thus far, we have tendered for several major contracts and, given our success rate over the years, we are optimistic of continuing to shore up the order book in FYE2017.

CORPORATE GOVERNANCE

The Board of Directors is committed in adhering to the Best Practices in Corporate Governance as identified in the Malaysian Code on Corporate Governance 2012 ("Code"). We remain steadfast in ensuring transparency, accountability, integrity and the highest standards of professionalism, expertise and technical know-how within the organisation.

We are committed to safeguarding the best interest of all stakeholders and ensuring the sustainability and value of our business. Measures put into effect to ensure compliance with the Code are detailed in the Corporate Governance Statement section of this Annual Report on pages 24 to 33.

APPRECIATION

On behalf of the Board, I wish to extend our sincere appreciation to our dedicated staff whose professionalism and commitment to the Group have been impressive in powering the Group's encouraging performance during a challenging FYE2016.

I also wish to thank my fellow Board Members for their counsel and support, the Management of Carimin for their resilience and steering the Company towards profitability as well as our business partners and shareholders for their continued confidence during the year under review. The Board is committed to fulfil its role in steering Carimin to continued success and ensuring all stakeholders interests is safeguarded.

TAN SRI DATO' KAMARUZZAMAN BIN SHARIFF
Non-Independent Non-Executive Chairman

Since our inception over 25 years ago, Carimin has endeavoured to assist marginalised communities in line with its spirit of corporate social responsibility (CSR); that is to enhance and empower the lives of all stakeholders of whom the Group is privileged to serve. The spirit of service that resides within the Company is both directed by Management and is also embraced by staff who view helping those in need as a way of life and is part and parcel of the Group's organisational culture.

Not surprisingly, a number of CSR activities initiated by the Group have been championed by employees themselves, carrying out various initiatives in their own circle of influence. It is heartening to note that our employees have continued this good work of spearheading community and social outreach activities in their own personal capacity or by coming together in groups to make a positive difference in the lives of many. This includes assisting their own colleagues in times of need, donating or sacrificing time and effort toward many a worthy cause throughout the year under review.

Support for MPRC OTC Asia 2016 Industry – Student Programme
(24 March 2016)

As part of its efforts to improve economic sustainability amongst the local community, Carimin engages in various initiatives to raise awareness of job opportunities, not just within the company but the industry as well. One such initiative was a co-sponsored Industry talk by the Malaysian Petroleum Resources Corporation (MPRC) at the Offshore Technology Conference (OTC) Asia 2016 Student Programme held at Universiti Technologi Malaysia's campus in Kuala Lumpur. The objective of this event was also to inspire future innovators as well as to foster industry-university collaboration for research and development. With the title, 'Inspiring Innovation in the Low Oil Price Environment', it was enthusiastically received by participants comprising final year Oil and Gas university students and lecturers alike.

Sports Day Sponsorship for Razak House, Kolej Yayasan Saad Melaka
(2 April 2016)

The adage, "A healthy body is a healthy mind" resonates clear throughout Carimin. With a firm understanding of this philosophy, Carimin undertook to promote a healthy lifestyle amongst the youth by contributing sports apparel for students of Razak House at Kolej Yayasan Saad in Melaka for their Sports Day. In their colourful and inspiring sports apparel, the students represented their sports house in the teaching institution's annual event. This event not just serves to unearth hidden sporting talent but provides a platform for students to foster team spirit, improve social skills as well as sharpen their organising abilities. Having uniform sporting apparel assisted in promoting unity and esprit de corps, as seen by their broad smiles and excitement!

Donation to Maahad Tahfiz Al-Quran Pengkalan Damar – Ihya' Ramadhan Programme 1437H

With religion being the cornerstone of our physical and mental health, Carimin sponsored a Ramadhan programme for students at Maahad Tahfiz Al Quran Pengkalan Damar-Ihya' in Kuantan, Pahang. Housing over 50 students, this religious teaching school caters to the strengthening of the students' Islamic faith. Carimin's financial donation was gratefully accepted and enabled appropriate activities and programmes to be organised throughout this especially holy month.

Donation to Sekolah Agama Ayer Manis, Johor
(13 June 2016)

To assist in the ongoing programme and smooth running of the Sekolah Agama Ayer Manis, Johor, Carimin made a donation to this religious school. This financial support was well received by the Principal there and was utilised for the benefit of the 280 students enrolled at the school, comprising orphans and needy schoolchildren.

Employee Welfare

Carimin strives to provide conducive work environment and encourage a suitable work-life balance amongst the employees.

In this aspect we take it upon ourselves to uphold the strong team spirit and our respective culture as can be seen with our annual Hari Raya celebration. Organised for employees and management alike, it is an occasion to put aside one's designation and department, and come together in the spirit of festivity. Carimin took this opportunity to reinforce the importance of safe driving particularly with employees travelling back to their hometowns during this festive period as well as for the regular commuters.

Safety is a prime priority for Carimin, being in an industry operating in a high risk environment. Our Health, Safety and Environment (HSE) Department has been instrumental in driving this critical message at every level throughout the organisation. Various safety-related initiatives have been organised for employees such as Chemical Awareness Training as well as Fire Drill and Evacuation Exercise. We have maintained close collaboration with the Department of Safety and Health (DOSH) as our key stakeholder in providing industry safety updates and reinforcing the need for constant vigilance and awareness.

With all these safety measures taken into consideration, we are proud to highlight that our ANGSI A WFO project achieved 250,000 man-hours without LTI as per 96% project progress and 98% overall HSE plan progress. We attribute this commendable standard to the exemplary commitment and strong HSE compliance from our dedicated Project Team.

To achieve our aspiration of benchmarking against industry best practices, our programmes organised include project-specific and general safety trainings, site visits by management as well as access controls for Project Team and sub-contractors.

Carimin is deeply committed to ensure our progression in a responsible and sustainable manner to achieve our business objectives, in tandem with our CSR engagement initiatives to benefit our stakeholders as well as the marginalised community.

> *"To put the safety of workers over making profits is the hallmark of a true industry safety leader"*

En. Mokhtar Hashim, Managing Director

The Board of Directors ("the Board") of Carimin Petroleum Berhad ("the Company") recognise the importance of good corporate governance and is committed to the establishment and implementation of a proper framework and controls that are in line with the principles of best practices as recommended by the Malaysian Code of Corporate Governance 2012 ("MCCG 2012" or "the Code") which was issued by the Securities Commission Malaysia and took effect on 31 December 2012.

The Board is committed to ensuring that the Principles and Recommendations of MCCG 2012 are observed and practiced in the discharge of its responsibilities in protecting and enhancing shareholders' value and financial performance of the Company and its subsidiaries ("the Group").

The Board is pleased to report herein the manner which the Company has applied the Principles and Recommendations of the MCCG 2012 for the financial year ended 30 June 2016 pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

A. THE BOARD

1. Board Responsibilities

The Board collectively leads and is responsible for the performance and affairs of the Group, including practicing a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility in leading and directing the Group towards realising long term objectives and shareholders' value. The Board retains full and effective control of the Group's strategic plans, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Group's system of internal control.

Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

a. Reviewing and adopting a strategic plan for the Group, including addressing the Group's business strategies on promoting sustainability;
b. Overseeing the conduct of the Group's business, and evaluating whether or not its businesses are being properly managed;
c. Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
d. Ensuring that all candidates appointed to the Board are of sufficient caliber, including having in place a process to provide for the orderly succession of the members of the Board;
e. Overseeing the development and implementation of an investor relations programme and stakeholder communications policy; and
f. Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated certain responsibilities to the following Committees to assist in the execution of its responsibilities:

i. Audit Committee
ii. Nomination Committee
iii. Remuneration Committee
iv. Risk Management Committee

The role of the Board Committees is to advise and make recommendations to the Board. However, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman of various committees provide a verbal report on the outcome of their committee meetings to the Board, and any further deliberation is made at the Board level, if required.

Each Committee operates in accordance with respective terms of reference approved by the Board. The Board appoints the members and Chairman of each Committee.

2. Composition and Board Balance

The Board currently has eight members, comprising one Non-Independent Non-Executive Chairman, three Executive Directors and four Independent Non-Executive Directors. This composition ensures that at least one-third of the Board comprise of Independent Directors in accordance to the requirement of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities.

There is a clear separation of functions between the Board and Management. The Board has full control of the Group and oversees its business affairs and the Management is responsible for implementing the Board's corporate objective, policies and procedures on risk and internal control.

The presence of four Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration and is sufficient to provide the necessary checks and balances on the decision making process of the Board. This is evidenced by their participation as members of the various committees of the Board.

The role of the Chairman and the Managing Director ("MD") are distinct and separate to ensure there is balance of power and authority.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The MD is accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group, and for the procedures in financial and other matters, including conduct and discipline.

The Board took note of the recommendations on best practices in respect of gender diversity of the Board members in meeting the target 30% women directors. However, the Company has not implemented gender diversity policies and/or measures to meet the targets as both genders are given fair and equal treatment. The Board, through its Nomination Committee, believes that candidature to the Board should be based on a candidate's merits, capability, experience, skill-sets and integrity but in line with the Code, the Board will consider more females onto the Board in due course to bring about a more diverse perspective. The Board currently has one female representation in the Board.

In line with the Code and in view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board shall also accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only to gender, but also age and ethnicity.

3. Board Charter

The Board has embarked on the relevant Corporate Governance Principles and Recommendations as set out in the MCCG 2012 and accordingly adopted its Board Charter on 7 October 2014 to incorporate the relevant principles and recommendations which establishes the role and responsibilities of the Board and those functions delegated to Management. It also serves as a reference point for the Board activities. It is designed to provide guidance and clarity for the Directors and Management with regard to the roles of the Board and its Committees, the requirements of the Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. The Board has also adopted a Code of Ethics and Conduct which is incorporated in the Board Charter.

A copy of the Board Charter is published in the corporate website of the Company at www.carimin.com/irhome/corporategovernance.

A Whistle Blowing Policy was also formalised on 7 October 2014 with the intention to promote the highest standard of corporate governance and business integrity that provides avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.

4. Independence

i. Tenure of Independent Director

The Board is aware that the tenure of an Independent Director shall not exceed a cumulative term of nine years. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a yearly basis.

ii. Annual Assessment of Independence

The Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company and/or the Group as all of the Independent Directors have satisfactorily demonstrated that they are independent from Management and free from any business or other relationship with the Group that could materially affect or interfere with the exercise of objective, unfettered or independent judgement to act in the best interest of the Group.

The Board had through the Nomination Committee conducted an evaluation on the level of independence of the Independent Directors of the Company against the criteria as set out in the annual assessment form. The Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company and/or Group.

5. Board Committees

The Board has delegated certain responsibilities to the Board Committees that operates within clearly defined terms of reference. These Committees are:

i. Audit Committee

The principle objectives of the Audit Committee is to assist the Board of the Company in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, management and financial reporting practices of the Group and to ensure proper disclosure to the shareholders of the Company.

The members of Audit Committee and its summary of the works carried out during the financial year ended 30 June 2016 are set forth in the Audit Committee Report of this Annual Report.

The term of office and performance of the Audit Committee and its members should be reviewed by the Nomination Committee annually to determine whether such Audit Committee and members have carried out their duties in accordance with its Terms of Reference.

ii. Nomination Committee

The Nomination Committee of the Company is responsible to oversee the selection and assessment of directors. The Nomination Committee will assess the candidates and recommend to the Board who will thereon assess the shortlisted candidates and arrive at a decision on the appointment of the director.

The Nomination Committee also assesses and evaluates the performance of each Director of the Company, on an annual basis through the Self-Appraisal Evaluation Form and was satisfied with the overall performance and competency of the Board and Board Committees to effectively discharge their respective roles and duties.

The Nomination Committee of the Company comprises the following members, all being Non-Executive Directors and majority of whom are Independent Directors:-

Name of Committee Members	Designation
Mohd Rizal Bahari Bin Md Noor, Chairman	Independent Non-Executive Director
Tan Sri Dato' Kamaruzzaman Bin Shariff, Member	Non-Independent Non-Executive Chairman
Yip Jian Lee, Member	Independent Non-Executive Director

The Nomination Committee meets as and when required. The Nomination Committee met twice in the financial year ended 30 June 2016 and the activities undertaken by the Committee were as follows:

a. Reviewed and assessed the Managing Director, Executive Directors and Non-Executive Directors' Annual Performance Evaluation Forms.

b. Reviewed, evaluated and considered the appointment of En. Lim Yew Hoe as Executive Director and recommended him to the Board.

c. Reviewed and assessed the independence of the Independent Directors of the Company.

d. Considered and recommended to the Board for consideration, the re-election of Directors who retire by rotation pursuant to Company's Articles of Association and re-appointment of Director pursuant to Section 129(6) of the Companies Act, 1965 at the Third Annual General Meeting of the Company.

iii. Remuneration Committee

The Remuneration Committee of the Company is principally responsible for assessing and reviewing the remuneration packages of the Executive Directors and subsequently furnishes their recommendations to the Board for adoption. The Board had also through the Remuneration Committee, established formal and transparent remuneration policies and procedures to attract and retain Directors.

The Remuneration Committee of the Company comprises the following members:-

Name of Committee Members	Designation
Dato' Ir. Mohamad Razali Bin Othman, Chairman	Independent Non-Executive Director
Mokhtar Bin Hashim, Member	Managing Director
Yip Jian Lee, Member	Independent Non-Executive Director

iv. Risk Management Committee

The Risk Management Committee of the Company was established on 20 August 2015 to act as a Committee of the Board with the primary objective to assist the Board in the following functions:

a. carrying out its responsibility of overseeing Group's risk management framework and policies;

b. ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets; and

c. determining the nature and extent of significant risks which it is willing to take in achieving its strategic objectives.

The Risk Management Committee of the Company comprises the following members:-

Name of Committee Members	Designation
Wan Muhamad Hatta Bin Wan Mos, Chairman	Independent Non-Executive Director
Dato' Ir. Mohamad Razali Bin Othman, Member	Independent Non-Executive Director
Mokhtar Bin Hashim, Member	Managing Director
Shatar Bin Abdul Hamid, Member	Executive Director

The Risk Management Committee met once in the financial year ended 30 June 2016 and the activities undertaken by the Committee amongst others, were as follows:

a. Deliberated on the Term of Reference of the Risk Management Committee and Risk Management Charter; and

b. Reviewed and discussed on the Risk Management Report dated 5 February 2015, presented by the internal auditors and recommend for changes, if any.

6. Board Meetings and Supply of Information

The Board schedules at least four meetings in a year with additional meetings to be convened where necessary. During the financial year ended 30 June 2016, the Board met eight (8) times where they deliberated and approved various reports and issues, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as discussed on potential investments, strategic decisions and the Group's financial performance.

Details of the Directors' attendance at Board meetings during the financial year ended 30 June 2016 are set out as follows:

Name of Directors	Attendance
Tan Sri Dato' Kamaruzzaman Bin Shariff (Chairman)	8/8
Mokhtar Bin Hashim	8/8
Shatar Bin Abdul Hamid	8/8
Lim Yew Hoe (Appointed on 19 April 2016)	1/1
Yip Jian Lee	6/8
Mohd Rizal Bahari Bin Md Noor	8/8
Wan Muhamad Hatta Bin Wan Mos	8/8
Dato' Ir Mohamad Razali Bin Othman	8/8
Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman (Retired on 26 November 2015)	4/4

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

Prior to the Board meetings, all Board members are provided with the agenda and Board papers containing information relevant to the business of the meeting, typically at least three working days prior to the date of the meeting, to enable them to obtain further explanations, where necessary, in order to be properly briefed before meetings. The Board Papers provide sufficient details of matters to be deliberated during the meeting which includes information on major financial, operational and corporate matters of the Group and the information provided therein is not confined to financial data but includes also non-financial information, both quantitative and qualitative, which is deemed critical for the Directors' knowledge and information in arriving at a sound and informed decision.

Where necessary, senior management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

In the event a potential conflict of interest situation arises, the Director concerned is to declare his interest and shall abstain from any deliberation and participation in respect of such resolution pertaining to the transaction.

Records of the deliberation, issues discussed and conclusion were recorded by the Company Secretary who attends all the meetings. The minutes will then be circulated to all Directors for their confirmation before it is signed by the Chairman of the meeting. Minutes of Board meetings together with decisions made by way of circular resolution are duly recorded and properly kept by the Company Secretary. In ensuring adherence board policies and procedures, the Board consults the Company Secretary on procedural and regulatory requirements.

Pursuant to Recommendation of 1.6 of MCCG 2012, the Board is regularly updated by the Company Secretaries who play an important advisory role and advises on the requirements to be observed by the Company and the Board arising from new statutes and guidelines issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Securities amongst others. The Company Secretaries also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the shares of the Company, in accordance with closed periods for dealing in the Company's securities pursuant to Chapter 14 of the Main Market Listing Requirements of Bursa Securities.

The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries to the Board in the discharge of their functions.

7. Access to Information and Independent Advice

The Board recognises that the decision making process is highly dependent on the quality of information furnished. The Board members have full and unrestricted access to all information concerning the Group's affairs pursuant to Recommendation 1.5 of the MCCG 2012.

All Board Members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Directors also have access to the Internal and External Auditors of the Group, with or without Management present to seek explanations or additional information.

The Directors, collectively or individually, may seek independent professional advice and information, on a case to case basis, in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

8. Appointment and Re-election of Directors

In accordance with Article 103 of the Company's Article of Association, at least one-third of the Directors for the time being shall retire from office and be subject to retirement by rotation at each Annual General Meeting ("AGM").

Directors who are appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following their appointment.

Directors who are over seventy years of age are required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

Tan Sri Dato' Kamaruzzaman Bin Shariff who will retire pursuant to Section 129 (2) of the Companies Act, 1965 and being eligible, has offered himself for re-appointment at the forthcoming AGM. Tan Sri Dato' Kamaruzzaman Bin Shariff during his tenure as the Non-Independent Non-Executive Chairman provided strong leadership and was responsible for ensuring the adequacy and effectiveness of the Board's governance process.

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee scrutinises the candidates and recommend the same for the Board's approval. In discharging this duty, the Nomination Committee will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate shall bring to complement the Board.

All Board members shall notify the Chairman of the Board before accepting any new directorships in other companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorships or significant commitments outside the Company.

9. Directors' Training

Pursuant to Recommendation 4.2 of MCCG 2012, the Board acknowledges that continuous education is essential for the Directors to keep abreast with the dynamic environment in which the Group operates and that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities.

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual Directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes. Besides, the Directors are also being updated on a continuing basis by the Company Secretaries on new and/or amended Main Market Listing Requirements of Bursa Securities as and when the same are advised by Bursa Securities.

The Directors have individually or collectively attended various training programmes during the financial year ended 30 June 2016 amongst others, the following:-

Name of Directors	Programmes Attended
Tan Sri Dato' Kamaruzzaman Bin Shariff	• Blue Ocean Strategy • An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Mokhtar Bin Hashim	• An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Shatar Bin Abdul Hamid	• An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Lim Yew Hoe	• Advocacy Session on Management Discussion & Analysis. • Makmal Transformasi Ekonomi Negeri Terengganu. • 2016 Global Outlook Economic Seminar. • Malaysia Budget Briefing 2016. • Recent Developments of Geosynthetics in Engineering Structures. • An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Name of Directors	Programmes Attended
Yip Jian Lee	• Board Chairman Series Part 2 : Leadership Excellence from the Chair. • The Shaking Foundations of Finance. • An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Mohd Rizal Bahari Bin Md Noor	• An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Wan Muhamad Hatta Bin Wan Mos	• CG Breakfast – Improving Board Risk Oversight Effectiveness. • An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Dato' Ir Mohamad Razali Bin Othman	• CG Breakfast – Improving Board Risk Oversight Effectiveness. • An overview on the Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors will continue to undergo relevant training programmes and seminars to further enhance their skills and knowledge as well as awareness of the industry and market place that inevitably can contribute to the Group.

10. Directors' Remuneration

The determination of remuneration packages of the Directors are matters for the Board as a whole. The remuneration of the Directors is structured to attract, retain and motivate them to run the Group successfully. The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors of the quality required to manage the business of the Group and to align the interest of the Directors with those of the shareholders.

The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the Remuneration Committee for the Executive Director(s).

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission or percentage of profits or turnover.

Each individual Director shall abstain from the deliberation and voting on all matters pertaining to their own remuneration.

The aggregate remuneration of the Directors for the financial year ended 30 June 2016 for the Company and the Group is as follows:-

	The Company			The Group			
Name of Directors	Fees (RM)	Meeting allowance (RM)	Total (RM)	Fees (RM)	Salaries & Benefits in Kind (RM)	Meeting allowance (RM)	Total (RM)
Executive Directors	-	-	-	-	1,193,796	-	1,193,796
Non-Executive Directors	288,000	42,900	330,900	288,000	-	42,900	330,900
TOTAL	**288,000**	**42,900**	**330,900**	**288,000**	**1,193,796**	**42,900**	**1,524,696**

	Company		Group	
Range of Remuneration	Executive	Non-Executive	Executive	Non-Executive
Below RM50,000	-	3	1	3
RM50,001 – RM100,000	-	2	-	2
RM400,001 – RM450,000	-	-	1	-
RM700,001 – RM750,000	-	-	1	-
TOTAL	**-**	**5**	**3**	**5**

11. Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

A Corporate Disclosure Policy was formalised on 7 October 2014 to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

B. SHAREHOLDERS

1. Relationship With Shareholders

The Group recognises the importance of effective communication and proactive engagement with the shareholders and investors to keep them informed and constantly kept abreast of the performance, corporate governance, and other matters affecting shareholders' interest. Such information is disseminated through the following channels:

a. Quarterly Financial Reports, Annual Audited Financial Statements and Annual Report
b. Circulars to shareholders
c. Various disclosures and announcements to Bursa Securities

The Company's corporate website at www.carimin.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The main forum for dialogue with shareholders remains at the AGM which encourages the shareholders to raise questions pertaining to the operations and financials of the Group.

2. AGM

At each AGM, shareholders will be accorded time and opportunity to query the Board on the resolutions being proposed and also matters relating to the performance, developments and the future direction of the Group.

Shareholders will also be invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

All resolutions set out in the Notice of the AGM are put to vote by way of poll of which the votes cast shall be validated by an independent scrutineer.

The outcome of all resolutions proposed at the AGM is to be announced to Bursa Securities at the end of the meeting day while a summary of the key matters discussed at the AGM shall be published on the Company's website as soon as practicable after the conclusion of the AGM.

C. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial performance and prospects through the quarterly and annual audited financial statements to shareholders.

The Board and Audit Committee of the Company have to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgement estimates.

The Board, via the Audit Committee, has established a formal and transparent arrangement for maintaining an appropriate relationship with its auditors, both external and internal.

The External Auditor's appointment and independence policy had been developed and adopted by the Board. The annual assessment on the suitability and independence of the External Auditors is carried out by the Audit Committee. The re-appointment of the External Auditors is subject to the Board's deliberation.

2. Internal Control and Risk Management

The Board affirms its overall responsibility for maintaining sound systems of risk management and internal controls to ensure that risks faced by the Group are identified, assessed and managed to tolerable levels determined by the Board so that shareholders' investments and the Group's assets are safeguarded.

The Group has also established an internal audit function which is outsourced to a professional service firm. They report directly to the Audit Committee. The outsourced Internal Auditors carries out internal audit reviews in accordance with the approved internal audit plan and the results of their reviews are presented to the Audit Committee at their scheduled meetings.

Further information on the main features of the Group's risk management process and internal control system are presented in the Statement on Risk Management and Internal Control of this Annual Report.

3. Relationship with Internal and External Auditors

The Group has established a transparent and appropriate relationship with the Internal Auditors and External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance.

The Audit Committee undertakes an annual review of the suitability and independence of the External Auditors. Having assessed their performance, the Audit Committee will make its recommendation to the Board for re-appointment, upon which the shareholders' approval will be sought at the AGM of the Company.

Similar to the External Auditors, the outsourced Internal Auditors have direct reporting access to the Audit Committee to ensure that any audit findings highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

This Statement was made in accordance with the resolution of the Board dated on 27 September 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("the Board") is required by the Companies Act, 1965 to ensure that the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards, the provisions of the Companies Act, 1965 and the requirements of Main Market Listing Requirement of Bursa Malaysia Securities Berhad and give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group") at the end of the financial year and to the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors are responsible for ensuring that the Group and the Company have maintained accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2016, the Group and the Company have used the appropriate accounting policies and consistently applied and supported by reasonable prudent judgement and estimates, that measures have been taken to ensure that accounting records are properly kept in accordance with the law and that the preparation of the financial statements is on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

This Statement was made in accordance a resolution of the Board dated 27 September 2016.

INTRODUCTION

In compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers, the Board of Directors of Carimin Petroleum Berhad ("Board") is pleased to present the Statement of Risk Management and Internal Control ("Statement") which outlines the nature and scope of the risk management and internal control of the Company and its subsidiaries ("Group") during the financial period under review and up to date of this Statement for inclusion in the Annual Report.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a sound system of risk management and internal controls to ensure that shareholders' investments and the Group's assets are safeguarded as well as for reviewing the adequacy and effectiveness of these systems. The responsibility for reviewing the adequacy and effectiveness of the risk management and internal controls system has been delegated to the Audit Committee.

However, as there are inherent limitations in any system of risk management and internal controls, such systems put into effect by Management can only reduce but not eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, such systems can only provide reasonable and not absolute assurance against material misstatements or losses.

The Group's system of risk management and internal control applies principally to the Group and its subsidiaries but do not apply to the joint venture. The Group's interest in the joint venture is served through Board representation. This representation also provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performance of the joint venture.

RISK MANAGEMENT

The Board acknowledges that the Groups' business activities involve a certain degree of risk. Key Management staff and Heads of Department are delegated with the responsibility of managing identified risks within defined parameters and standards. Such identified risks are discussed half annually at the Management meetings which are also attended by the Executive Directors. Significant risks identified are brought to the Board attention by the Executive Directors at its scheduled meetings.

The Risk Management Committee comprising two Executive Directors and two Independent Non-Executive Directors was established with the primary objective of assisting the Board in the following:

- Overseeing the Group's risk management framework and policies;
- Ensuring that Management maintains a sound system of internal controls and risk management; and
- Determining the nature and extent of significant risks which Management has taken in achieving the Group's strategic objectives.

Key Risk profiles ("KRP") of the group were developed and the process was put in place and reported in Risk Management Report dated 5 February 2015. The KRP were further validated during the financial year under review in March 2016.

The abovementioned risk management practice is the on-going process used to identify, assess and mitigate risks during the financial year under review and up to the date of approval of the Statement.

INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional service firm, assists the Board and Audit Committee in providing an independent assessment of the adequacy and effectiveness of the Group's internal control, risk management and governance processes. The Internal Auditors report directly to the Audit Committee.

During the financial year under review, the Internal Auditors carried out the following:

(a) Reviewed the Company's existing authority limits.
(b) Executed internal control reviews in accordance with the approved risk based internal audit plan. The entities and business processes reviewed are as follows:

Entity	Business Process
Carimin Engineering Services Sdn Bhd	Project Tender Cycle Procurement Management
Carimin Petroleum Berhad	Human Resource Management Management of Information System

(c) Performed follow-up reviews to ensure that corrective actions have been implemented in a timely manner.

Based on the abovementioned work carried out, the findings of the reviews were discussed with Senior Management and subsequently presented to the Audit Committee at their scheduled meetings.

Based on the internal audit reviews carried out, none of the weaknesses noted resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 30 June 2016 is RM197,911.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The following are the other key elements of the Group's current internal controls:-

i. Organisation Structure

The Group has a defined organisational structure with clear lines of accountability and delegation of authority for major tenders, major capital expenditure projects, acquisition and disposal of business and other significant transactions that require the Board's approval. The Management team is led by the Managing Director and assisted by the Executive Directors and the respective heads of departments. The Group has in place competent and responsible personnel to oversee the Group's operating functions.

ii. Clearly defined policies and procedures and authority limits

The terms of references, responsibilities and authority limits of the various committees, the Managing Director, Executive Directors and other senior management staff of the Group are clearly defined to achieve an effective check and balance, promote accountability, transparency, responsibility, operational efficiency and good corporate governance.

These terms of references, responsibilities and authority limits are formally documented in official documents such as the Group Financial Authority Limit and various Standard Operating Procedures and Guidelines.

iii. Regular Management Meetings

Management Committee meetings are held regularly and are attended by Executive Directors and Heads of Business Units to discuss operational performance and operational matters.

iv. Periodic Financial Performance Reviews

The Group Finance Department prepares the Monthly Management accounts for review by an Executive Director and subsequently presented to the Managing Director at their scheduled meetings. The Audit Committee and the Board review the quarterly financial performance results with the Executive Directors to monitor the Group's progress in achieving its business objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 June 2016. Their review was carried out in accordance with the Recommended Practice Guide 5 ("RPG 5") (Revised) issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures requested by paragraph 41 and 42 of the Statement on Risk Management and Internal Controls Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

ASSURANCE TO THE BOARD

The Board has received assurance from the Managing Director and Executive Director of the Company that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, in meeting the business objectives of the Group and nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material respect.

The Board is of the view that the Group's internal control and risk management systems are adequate to safeguard shareholders' investment and the Group's assets. However, the Board recognises that the development of risk management and internal control systems is an on-going process. Therefore, the Board will continue to strengthen the systems of internal control and risk management.

This Statement was made in accordance with the resolution of the Board dated on 27 September 2016.

The principle objectives of the Audit Committee is to assist the Board of Directors ("Board") of Carimin Petroleum Berhad ("the Company") in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, management and financial reporting practices of the Company and its subsidiaries ("the Group") and to ensure proper disclosure to the shareholders of the Company.

MEMBERS

The current members of the Audit Committee of the Company are as follows:

Name of Committee Members	Designation
Yip Jian Lee, Chairperson	Independent Non-Executive Director
Mohd Rizal Bahari Bin Md Noor, Member	Independent Non-Executive Director
Wan Muhamad Hatta Bin Wan Mos, Member	Independent Non-Executive Director

The Terms of Reference of the Audit Committee is available for reference on the Company's website at www.carimin.com/IRhome/Corporate Governance.

SUMMARY OF WORKS DURING THE FINANCIAL YEAR ENDED 30 JUNE 2016

During the financial year under review, the Audit Committee convened six (6) meetings. Details of attendance of the members of the Audit Committee at those meetings are as follows:

Committee Members	No. of meetings attended
Yip Jian Lee, Chairperson	6 of 6
Mohd Rizal Bahari Bin Md Noor, Member	6 of 6
Wan Muhamad Hatta Bin Wan Mos, Member	6 of 6
Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman, Member (Retired on 26 November 2015)	4 of 4

The following is a summary of the main works carried out by the Audit Committee during the financial year under review:

i. Reviewed the Group's quarterly financial results and annual audited financial statements of the Company including the announcements pertaining thereto before recommending to the Board for approval and release to Bursa Securities;

ii. Reviewed the Audit Review Memorandum for the Group's audit for the financial year ended 30 June 2015 and Audit Planning Memorandum of the Group for the financial year then ending 30 June 2016 presented by the External Auditors;

iii. Reviewed with the Internal Auditor, the internal audit plan, work done and reports of the internal audit function and considered the findings of internal auditors and management responses thereon, and ensured that appropriate actions are taken on the recommendations raised by the Internal Auditors;

iv. Reviewed the re-appointment of Messrs Crowe Horwath as External Auditors of the Company and their audit fees of the Company and its subsidiaries for the financial year ended 30 June 2015 and recommend it to the Board for approval.

v. Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Statement on Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;

vi. Reviewed if there is any, the related party transactions and/or recurrent related party transactions that transpired within the Group during the financial year under review to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

During the financial year under review, the internal audit function carried out the following:

(a) Reviewed the Company's existing authority limits.

(b) Executed internal control reviews in accordance with the approved risk based internal audit plan. The entities and business processes reviewed are as follows:

Entity	Business Process
Carimin Engineering Services Sdn Bhd	Project Tender Cycle Procurement Management
Carimin Petroleum Berhad	Human Resource Management Management of Information System

(c) Performed follow-up reviews to ensure that corrective actions have been implemented in a timely manner.

The results of the abovementioned work carried out by the internal audit function were tabled to the Audit Committee at their scheduled meetings.

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

On 10 November 2014, the entire enlarged issued and paid-up share capital of the Company comprising 233,878,000 ordinary shares of RM0.50 each was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

In conjunction with and as an integral part of the listing, the Company undertook a Public Issue of 60,700,000 new ordinary shares of RM0.50 at an issue price of RM1.10 per ordinary share ("IPO"). Relevant details of the IPO exercise were set out in the Prospectus issued by the Company on 23 October 2014.

The gross proceeds from the IPO amounted to RM66.77 million and the status of the utilisation of the proceeds raised as at 30 June 2016 is as follows:-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance utilisation RM'000	% of utilization	Time frame for utilisation
Purchase of offshore support vessel	35,320	35,320	-	-	
Development of minor fabrication yard	12,000	922	11,078	7%	Within 12 months
Repayment of bank borrowings	8,000	8,000	-	-	
Working capital	7,950	7,950	-	-	
Estimated listing expenses	3,500	3,500	-	-	
Total	**66,770**	**55,692**	**11,078**	**83%**	

2. AUDIT FEES

The audit and non-audit fees incurred for services rendered to the Company and the Group by the External Auditors during the financial year ended 30 June 2016 are as follows:-

	The Company RM'000	The Group RM'000
Audit fee	37.000	172.000
Non-audit fee	37.000	-

3. MATERIAL CONTRACTS

There were no material contracts entered by the Company and its subsidiaries involving Directors and major shareholders' interest during the financial year ended 30 June 2016.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	3,451	296
Attributable to:-		
Owners of the Company	3,452	296
Non-controlling interests	(1)	-
	3,451	296

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 39 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Tan Sri Dato' Kamaruzzaman Bin Shariff
Mokhtar Bin Hashim
Shatar Bin Abdul Hamid
Yip Jian Lee
Mohd Rizal Bahari Bin Md Noor
Wan Muhamad Hatta Bin Wan Mos
Dato' IR. Mohamad Razali Bin Othman
Lim Yew Hoe (Appointed on 19 April 2016)
Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman (Retired on 26 November 2015)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares of RM0.50 Each			
	At 1.7.2015/ Date of Appointment	**Bought**	**Sold**	**At 30.6.2016**
Direct Interests in the Company				
Tan Sri Dato' Kamaruzzaman Bin Shariff	7,050,000	-	-	7,050,000
Mokhtar Bin Hashim	74,428,634	-	(15,555,400)	58,873,234
Shatar Bin Abdul Hamid	16,153,238	-	(7,281,600)	8,871,638
Yip Jian Lee	50,000	-	-	50,000
Mohd Rizal Bahari Bin Md Noor	50,000	-	-	50,000
Wan Muhamad Hatta Bin Wan Mos	50,000	-	-	50,000
Dato' IR. Mohamad Razali Bin Othman	50,000	-	-	50,000
Lim Yew Hoe (Appointed on 19 April 2016)	1,550,300	-	-	1,550,300

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 40 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 43 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 27 September 2016

Tan Sri Dato' Kamaruzzaman Bin Shariff

Mokhtar Bin Hashim

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Tan Sri Dato' Kamaruzzaman Bin Shariff and Mokhtar Bin Hashim, being two of the directors of Carimin Petroleum Berhad, state that, in the opinion of the directors, the financial statements set out on pages 50 to 111 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, which is not part of the financial statements, is prepared in all material respects, 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 and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 27 September 2016

Tan Sri Dato' Kamaruzzaman Bin Shariff **Mokhtar Bin Hashim**

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Mokhtar Bin Hashim, I/C No. 590515-10-6481, being the director primarily responsible for the financial management of Carimin Petroleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 112 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Mokhtar Bin Hashim, I/C No. 590515-10-6481,
at Kuala Lumpur in the Federal Territory
on this 27 September 2016

Mokhtar Bin Hashim

Before me

Lai Din (No. W668)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia) Company No. 908388-K

Report on the Financial Statements

We have audited the financial statements of Carimin Petroleum Berhad, which comprise the statements of financial position as at 30 June 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 111.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 45 on page 112 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Chan Kuan Chee
Approval No: 2271/10/17 (J)
Chartered Accountant

27 September 2016
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2016

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	92,089	92,089
Property, plant and equipment	6	146,380	131,488	-	-
Investment in joint venture	7	5,068	5,089	-	-
Other investments	8	50	50	-	-
		151,498	136,627	92,089	92,089
CURRENT ASSETS					
Amount owing by contract customers	9	13,725	23,307	-	-
Trade receivables	10	20,022	67,578	-	-
Other receivables, deposits and prepayments	11	2,367	3,099	24	1
Amount owing by subsidiaries	12	-	-	68,083	80,206
Amount owing by joint venture	13	2,580	2,580	-	-
Tax recoverable		3,430	2,107	-	-
Short-term investments	14	13,733	11,022	2,015	-
Fixed deposits with licensed banks	15	52,784	57,683	-	-
Cash and bank balances		15,790	11,272	331	266
		124,431	178,648	70,453	80,473
TOTAL ASSETS		275,929	315,275	162,542	172,562

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	116,939	116,939	116,939	116,939
Share premium	17	32,429	32,429	32,429	32,429
Merger deficit	18	(80,802)	(80,802)	-	-
Retained profits		94,482	91,033	12,394	12,098
Capital reserve	19	17	17	-	-
Fair value reserve	20	2	-	(2)	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		163,067	159,616	161,760	161,466
NON-CONTROLLING INTERESTS		-	(2)	-	-
TOTAL EQUITY		163,067	159,614	161,760	161,466
NON-CURRENT LIABILITIES					
Long-term borrowings	21	80,806	30,383	-	-
Deferred tax liabilities	22	1,027	691	-	-
		81,833	31,074	-	-
CURRENT LIABILITIES					
Trade payables	25	7,708	8,716	-	-
Other payables and accruals	26	8,931	101,448	355	369
Amount owing to subsidiaries	12	-	-	420	10,436
Provision for taxation		615	406	7	291
Short-term borrowings	27	13,478	7,013	-	-
Bank overdrafts	28	297	7,004	-	-
		31,029	124,587	782	11,096
TOTAL LIABILITIES		112,862	155,661	782	11,096
TOTAL EQUITY AND LIABILITIES		275,929	315,275	162,542	172,562

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
REVENUE	29	123,527	163,439	-	14,398
COST OF SALES		(123,108)	(158,823)	-	-
GROSS PROFIT		419	4,616	-	14,398
OTHER INCOME		20,283	4,492	1,153	1,286
		20,702	9,108	1,153	15,684
ADMINISTRATIVE EXPENSES		(10,070)	(12,135)	(826)	(915)
OTHER EXPENSES		(863)	(1,433)	-	-
FINANCE COSTS		(3,461)	(2,150)	-	-
SHARE OF RESULTS IN JOINT VENTURE, NET OF TAX		(21)	1,449	-	-
PROFIT/(LOSS) BEFORE TAXATION	30	6,287	(5,161)	327	14,769
INCOME TAX EXPENSE	31	(2,836)	(3,087)	(31)	(291)
PROFIT/(LOSS) AFTER TAXATION		3,451	(8,248)	296	14,478
OTHER COMPREHENSIVE INCOME					
Items that May be Reclassified Subsequently to Profit or Loss					
Fair value changes for available-for-sale financial assets		2	-	(2)	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		3,453	(8,248)	294	14,478

The annexed notes form an integral part of these financial statements.

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		3,452	(8,246)	296	14,478
Non-controlling interests		(1)	(2)	-	-
		3,451	(8,248)	296	14,478
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		3,454	(8,246)	294	14,478
Non-controlling interests		(1)	(2)	-	-
		3,453	(8,248)	294	14,478
EARNINGS/(LOSS) PER SHARE (SEN)					
- Basic	32	1.48	(3.89)		
- Diluted	32	1.48	(3.89)		

The annexed notes form an integral part of these financial statements.

The Group	Note	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		<—— Non-distributable			——>	Distributable			
Balance at 1.7.2014		86,589	-	(80,802)	17	101,618	107,422	-	107,422
Loss after taxation/ Total comprehensive expenses for the financial year		-	-	-	-	(8,246)	(8,246)	(2)	(8,248)
Contributions by and distributions to owners of the Company:									
- Issuance of shares pursuant to the listing scheme:									
- Public Issue	16	30,350	33,945	-	-	-	64,295	-	64,295
- Listing expenses		-	(1,516)^^	-	-	-	(1,516)^^	-	(1,516)
- Dividends:									
- by the Company	33	-	-	-	-	(2,339)	(2,339)	-	(2,339)
Total transactions with owners		30,350	32,429	-	-	(2,339)	60,440	-	60,440
Balance at 30.6.2015/1.7.2015 (Balance carried forward)		116,939	32,429	(80,802)	17	91,033	159,616	(2)	159,614

The annexed notes form an integral part of these financial statements.

	<——— Non-distributable			———>		Distributable			
The Group	**Share Capital RM'000**	**Share Premium RM'000**	**Merger Deficit RM'000**	**Capital Reserve RM'000**	**Fair Value Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity**
Balance brought forward	116,939	32,429	(80,802)	17	-	91,033	159,616	(2)	159,614
Profit after taxation for the financial year	-	-	-	-	-	3,452	3,452	(1)	3,451
Other comprehensive income for the financial year									
- Fair value changes of available-for-sale financial assets	-	-	-	-	2	-	2	-	2
Total comprehensive income for the financial year	-	-	-	-	2	3,452	3,454	(1)	3,453
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	(3)	(3)	3	-
Total transactions with owners	-	-	-	-	-	(3)	(3)	3	-
Balance at 30.6.2016	116,939	32,429	(80,802)	17	2	94,482	163,067	-	163,067

The annexed notes form an integral part of these financial statements.

			<- Non-distributable ->		Distributable	
The Company	**Note**	**Share Capital RM'000**	**Share Premium RM'000**	**Fair Value Reserve RM'000**	**Retained Profits/ (Accumulated Losses) RM'000**	**Total Equity RM'000**
Balance at 1.7.2014		#	-	-	(41)	(41)
Profit after taxation/Total comprehensive income for the financial year		-	-	-	14,478	14,478
Contributions by and distributions to owners of the Company:						
- Issuance of shares pursuant to the listing scheme:						
- Acquisition of subsidiaries*	16	86,589	-	-	-	86,589
- Public Issue	16	30,350	33,945	-	-	64,295
- Listing expenses		-	(1,516)^^	-	-	(1,516)^^
- Dividend	33	-	-	-	(2,339)	(2,339)
Total transactions with owners		116,939	32,429	-	(2,339)	147,029
Balance at 30.6.2015/1.7.2015		116,939	32,429	-	12,098	161,466
Profit after taxation/Total comprehensive income for the financial year		-	-	-	296	296
Other comprehensive income for the financial year:						
- Fair value changes of available-for-sale financial assets		-	-	(2)	-	(2)
Total comprehensive expenses for the financial year		-	-	(2)	-	(2)
Balance at 30.6.2016		116,939	32,429	(2)	12,394	161,760

\# - *RM20*

* - *The share capital of RM86,589,000 were presented based on the share capital in issue pursuant to the acquisitions of Carimin Sdn. Bhd. and its subsidiaries, which were consolidated using the merger method of accounting.*

^^ - *Represents expenses not recognised in the statements of profit or loss and other comprehensive income.*

The annexed notes form an integral part of these financial statements.

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	6,287	(5,161)	327	14,769
Adjustments for:-				
Depreciation of property, plant and equipment	4,649	3,486	-	-
Dividend income	-	-	-	(14,398)
Gain on disposal of property, plant and equipment	(4)	(63)	-	-
Impairment loss on trade receivables	150	350	-	-
Interest income	(2,303)	(1,877)	(22)	(1,261)
Interest expense	3,461	2,368	-	-
Listing expenses written off	-	464	-	464
Provision for foreseeable losses	-	1,973	-	-
Property, plant and equipment written off	-	62	-	-
Share of results in joint venture	21	(1,449)	-	-
Unrealised gain on foreign exchange	(911)	(1,565)	-	-
Operating profit/(loss) before working capital changes	11,350	(1,412)	305	(426)
Decrease/(Increase) in amount owing by contract customers	9,582	(11,150)	-	-
Decrease/(Increase) in trade and other receivables	49,993	28,704	(23)	879
(Decrease)/Increase in trade and other payables	(80,443)	(16,971)	(14)	356
CASH (FOR)/FROM OPERATIONS	(9,518)	(829)	268	809
Interest paid	(3,461)	(2,368)	-	-
Tax paid	(3,614)	(7,812)	(315)	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(16,593)	(11,009)	(47)	809

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
BALANCE BROUGHT FORWARD		(16,593)	(11,009)	(47)	809
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		-	-	12,121	(80,206)
Advances to joint venture		-	(450)	-	-
Dividend received		-	-	-	14,398
Interest received		2,283	1,877	22	1,261
Purchase of property, plant and equipment	34	(32,639)	(5,983)	-	-
Proceeds from disposal of property, plant and equipment		19	63	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		(30,337)	(4,493)	12,143	(64,547)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Acquisition of non-controlling interests		#	-	-	-
Proceeds from issuance of public shares		-	64,295	-	64,295
Share issuance expenses paid		-	(1,980)	-	(1,980)
Drawdown of term loans		62,428	3,500	-	-
Dividend paid	33	-	(2,339)	-	(2,339)
Dividend paid by subsidiaries to former shareholders		-	(210)	-	-
Decrease/(Increase) in placement of pledged deposits		368	(2,945)	-	-
(Repayment to)/Advances from subsidiaries		-	-	(10,016)	4,025
Repayment of term loans		(5,823)	(4,698)	-	-
Repayment of hire purchase obligations		(943)	(838)	-	-
Repayment of invoice financing		(608)	(1,692)	-	-
Repayment of revolving credits		-	(60)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		55,422	53,033	(10,016)	64,001
BALANCE CARRIED FORWARD		8,492	37,531	2,080	263

- *RM20*

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
BALANCE BROUGHT FORWARD/NET INCREASE IN CASH AND CASH EQUIVALENTS		8,492	37,531	2,080	263
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		913	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		52,903	15,372	266	3
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	62,308	52,903	2,346	266

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	: Third Floor, No. 79 (Room A) Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	: B-1-6, Block B, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 September 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 No new accounting standard(s) and/or interpretation(s) (including the consequential amendments) have been adopted by the Group during the financial year.

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 year:- (Cont'd)

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

(a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is in the process of making an assessment of the financial impact arising from the adoption of MFRS 9 and the extent of the impact has not been determined.

(b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

(c) MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group anticipates that the application of MFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 16 until the Group performs a detailed review.

(d) The amendments to MFRS 10, MFRS 12 and MFRS 128 allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture. There will be no financial impact on the financial statements of the Group upon their initial application but may impact its future disclosures.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Contract Accounting

Contract accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) Contract Revenue

Contract accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

(ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(d) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margin, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(g) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(h) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The acquisitions resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common business combination.

(a) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(b) Acquisition Method of Accounting for Non-Common Control Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

In respect of equity-accounted joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint ventures.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets (Cont'd)

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2016. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 JOINT ARRANGEMENTS (CONT'D)

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not re-measured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

4.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost less impairment losses and is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	3% - 5%
Leasehold land	Over the lease period of 60 years
Furniture and fittings	20%
Operation equipment	20%
Operation tools and equipment	20%
Office equipment	20%
Motor vehicles	20%
Plant and equipment	10%
Renovation	20%
Computers	20%
Vessels	4%
Telecommunication equipment	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Vessel-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Vessel-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of the vessel-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.9 CONSTRUCTION CONTRACTS

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to survey of works performed. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount owing by contract customers. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount owing to contract customers.

4.10 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss, investments in subsidiaries and investment in joint venture), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as property, plant and equipment and the corresponding obligations are treated as hire purchase payables. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.12 INCOME TAXES

Income tax for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.13 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, pledged deposits and restricted cash.

4.15 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.17 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.18 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.20 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) the entity is controlled or jointly controlled by a person identified in (a) above.
(vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.22 REVENUE AND OTHER INCOME

(a) Services

Revenue is recognised upon the rendering of manpower supply services at the end of reporting period and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(b) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 4.9.

(c) Interest Income

Interest income is recognised on an accrual basis.

(d) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(e) Rental Income

Rental income is recognised on an accrual basis.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2016 RM'000	The Company 2015 RM'000
In Malaysia:-		
Unquoted shares, at cost	92,089	92,089

The details of the subsidiaries which are incorporated in Malaysia, are as follows:-

Name of Subsidiary	Effective Equity Interest 2016 %	Effective Equity Interest 2015 %	Principal Activities
Carimin Sdn. Bhd.	100	100	Providing manpower supply services.
Carimin Engineering Services Sdn. Bhd.	100	100	Offshore hook up and commissioning services, and engineering, fabrication and maintenance services.
Carimin Equipment Management Sdn. Bhd.	100	100	Management of fabrication yards and equipment rental services.
Carimin Corporate Services Sdn. Bhd.	100	100	Providing corporate and management services.
Carimin Marine Services Sdn. Bhd.	100	100	Providing chartering of offshore support vessel.
Carimin Resources Services Sdn. Bhd.	100	100	Dormant.
Carimin Airis Offshore Sdn. Bhd.#	100	100	Providing chartering of offshore support vessel.
Carimin Acacia Offshore Sdn. Bhd.#	100	80	Providing chartering of offshore support vessel.

 # Interest held by Carimin Marine Services Sdn. Bhd.

(a) The non-controlling interests at the end of the reporting period comprise the following:

	Effective Equity Interest 2016 %	Effective Equity Interest 2015 %	The Group 2016 RM'000	The Group 2015 RM'000
Carimin Acacia Offshore Sdn. Bhd.	-	20	-	(2)

The summarised financial information (before intra-group elimination) of the abovementioned subsidiary that has non-controlling interests is not presented as the non-controlling interests are not material to the Group.

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2015 RM'000	Additions (Note 34) RM'000	Disposal RM'000	Reclassification RM'000	Depreciation Charges RM'000	At 30.6.2016 RM'000
2016						
Net Book Value						
Freehold land	225	-	-	-	-	225
Leasehold land	329	-	-	-	(22)	307
Buildings	7,521	-	-	-	(431)	7,090
Furniture and fittings	64	7	-	-	(34)	37
Operation equipment	244	-	-	(244)	-	-
Operation tools and equipment	830	-	-	244	(778)	296
Office equipment	41	23	(15)	-	(6)	43
Motor vehicles	605	-	-	-	(172)	433
Plant and equipment	601	-	-	-	(92)	509
Renovation	741	-	-	-	(92)	649
Vessels	36,704	1,093	-	101,042	(3,009)	135,830
Vessel-in-progress	83,071	17,971	-	(101,042)	-	-
Others	512	462	-	-	(13)	961
	131,488	19,556	(15)	-	(4,649)	146,380

The Group	At 1.7.2014 RM'000	Additions (Note 34) RM'000	Written Off RM'000	Depreciation Charges RM'000	At 30.6.2015 RM'000
2015					
Net Book Value					
Freehold land	225	-	-	-	225
Leasehold land	351	-	-	(22)	329
Buildings	7,952	-	-	(431)	7,521
Furniture and fittings	110	4	-	(50)	64
Operation equipment	244	-	-	-	244
Operation tools and equipment	1,640	210	(62)	(958)	830
Office equipment	1	98	-	(58)	41
Motor vehicles	136	603	-	(134)	605
Plant and equipment	693	-	-	(92)	601
Renovation	835	-	-	(94)	741
Vessels	38,335	-	-	(1,631)	36,704
Vessel-in-progress	2,482	80,589	-	-	83,071
Others	61	467	-	(16)	512
	53,065	81,971	(62)	(3,486)	131,488

Others includes computers and telecommunication equipment.

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Net Book Value RM'000
2016				
Freehold land	225	-	-	225
Leasehold land	440	(133)	-	307
Buildings	9,820	(2,730)	-	7,090
Furniture and fittings	553	(516)	-	37
Operation equipment	2,518	(2,168)	(350)	-
Operation tools and equipment	4,702	(4,406)	-	296
Office equipment	582	(414)	(125)	43
Motor vehicles	1,810	(1,377)	-	433
Plant and equipment	923	(414)	-	509
Renovation	1,256	(577)	(30)	649
Vessels	141,657	(5,827)	-	135,830
Others	2,049	(933)	(155)	961
	166,535	(19,495)	(660)	146,380
2015				
Freehold land	225	-	-	225
Leasehold land	440	(111)	-	329
Buildings	9,820	(2,299)	-	7,521
Furniture and fittings	546	(482)	-	64
Operation equipment	2,762	(2,168)	(350)	244
Operation tools and equipment	4,458	(3,628)	-	830
Office equipment	574	(408)	(125)	41
Motor vehicles	1,810	(1,205)	-	605
Plant and equipment	923	(322)	-	601
Renovation	1,256	(485)	(30)	741
Vessels	39,522	(2,818)	-	36,704
Vessel-in-progress	83,071	-	-	83,071
Others	1,587	(920)	(155)	512
	146,994	(14,846)	(660)	131,488

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the net book value of property, plant and equipment at the end of the reporting period are the following assets pledged to financial institutions as security for banking facilities granted to the Group.

	The Group	
	2016 RM'000	2015 RM'000
Buildings	5,400	5,774
Vessels	135,830	36,704
	141,230	42,478

Included in the net book value of property, plant and equipment of the Group at the end of the reporting period are the following assets acquired under hire purchase terms:-

	The Group	
	2016 RM'000	2015 RM'000
Operation tools and equipment	84	705
Motor vehicles	433	553
Plant and equipment	443	472
	960	1,730

7. INVESTMENT IN JOINT VENTURE

	The Group	
	2016 RM'000	2015 RM'000
Unquoted shares, at cost	1,400	1,400
Share of post acquisition profits	3,668	3,689
	5,068	5,089

The details of the joint venture are as follows:-

Name of Company	Country of incorporation	Interest in equity held by Company 2016	Company 2015	Subsidiary 2016	Subsidiary 2015	Principal Activity
Synergy Kenyalang Offshore Sdn. Bhd.* ("SKO")	Malaysia	-	-	14%	14%	Providing chartering of offshore support vessel.

- *Not audited by Messrs. Crowe Horwath

(a) *Held by Carimin Marine Services Sdn. Bhd. The results of SKO are equity accounted based on the unaudited management accounts for the period from 1 July 2015 to 30 June 2016 respectively.*

7. INVESTMENT IN JOINT VENTURE (CONT'D)

The summarised unaudited financial information of the joint venture that is material to the Group is as follows:-

	2016 RM'000	2015 RM'000
At 30 June		
Non-current assets	67,072	71,599
Current assets	42,192	42,315
Non-current liabilities	(53,465)	(48,424)
Current liabilities	(18,872)	(23,883)
Net assets	36,927	41,607
Financial year ended 30 June		
Revenue	17,159	29,445
(Loss)/Profit for the financial year	(563)	10,764
Total comprehensive (expenses)/income	(563)	10,764
Group's share of (loss)/profit for the financial year	(21)	1,449
Group's share of other comprehensive (expenses)/income	(21)	1,449
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	5,170	5,825
Goodwill on acquisition	-	-
Carrying amount of the Group's interest in this joint venture	5,068	5,089

8. OTHER INVESTMENTS

	The Group	
	2016 RM'000	2015 RM'000
Investment in club membership	50	50

Investment in club membership of the Group is designated as available-for-sale financial assets and is measured at fair value.

9. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	2016 RM'000	2015 RM'000
Contract costs incurred to-date	91,335	82,337
Attributable profits	13,899	18,168
	105,234	100,505
Progress billings	(91,509)	(77,198)
	13,725	23,307

10. TRADE RECEIVABLES

	The Group	
	2016 RM'000	2015 RM'000
Trade receivables	14,667	20,013
Allowance for impairment losses	(396)	(886)
	14,271	19,127
Accrued billings	5,707	48,231
Retention sum	44	220
	20,022	67,578

	The Group	
	2016 RM'000	2015 RM'000
Allowance for impairment losses:-		
At 1 July	(886)	(545)
Addition during the financial year (Note 30)	(150)	(350)
Written off during the financial year	640	9
At 30 June	(396)	(886)

The Group's normal trade credit terms range from 30 to 60 (2015 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other receivables	698	1,597	24	1
Advances	32	1,040	-	-
Deposits	270	459	-	-
Prepayments	1,367	3	-	-
	2,367	3,099	24	1

Included in other receivables, deposits and prepayments of the Group in the previous financial year was an amount of RM886,008 being advances paid to suppliers for future supplies of services and materials. These advances were recovered by way of set-off against the supplies of services and materials.

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2016 RM'000	2015 RM'000
Amount owing by:-		
Non-trade balances	68,083	80,206
Amount owing to:-		
Non-trade balances	(420)	(10,436)

The non-trade balances are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

13. AMOUNT OWING BY JOINT VENTURE

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

14. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Money market fund, at fair value	13,733	11,022	2,015	-
At market value	13,733	11,022	2,015	-

The investment in money market fund represents investments in highly liquid equity investments with a regular income stream, which is readily convertible to a known amount of cash and have insignificant risk of changes in value. Income distribution bore effective interest rates ranging from 3.65% to 3.96% (2015 - 3.60% to 3.75%) per annum respectively. This investment is designated as available-for-sale financial assets and is measured at fair value.

15. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM19,702,000 (2015 - RM20,070,000) which are pledged to licensed banks as security for banking facilities granted to the Group. The fixed deposits bore effective interest rates ranging from 2.55% to 3.77% (2015 - 2.70% to 4.10%) per annum respectively. The deposits have maturity periods ranging from 3 to 365 (2015 - 30 to 365) days.

16. SHARE CAPITAL

	Par Value	2016	2015	The Company 2016	2015
		Number of Shares '000		RM'000	RM'000
Ordinary Shares					
Authorised					
At 1 July	0.50	600,000	200	300,000	100
Created during the financial year	0.50	-	599,800	-	299,900
At 30 June	0.50	600,000	600,000	300,000	300,000
Issued and Fully Paid-up					
At 1 July	0.50	233,878	##	116,939	#
Allotment of shares pursuant to the listing scheme:					
- acquisition of subsidiaries	0.50	-	173,178	-	86,589
- public issue	0.50	-	60,700	-	30,350
At 30 June	0.50	233,878	233,878	116,939	116,939

- RM20
- 40 ordinary shares

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

17. SHARE PREMIUM

	The Group/The Company 2016 RM'000	2015 RM'000
At 1 July	32,429	-
Premium arising from public issue	-	33,945
Listing expenses	-	(1,516)
At 30 June	32,429	32,429

The share premium reserve represents the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

18. MERGER DEFICIT

The merger deficit relates to the subsidiaries which were consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of subsidiaries and the nominal value of the shares acquired.

19. CAPITAL RESERVE

The capital reserve represents surplus arising from the takeover of assets and liabilities of a business by the Company in previous financial years.

20. FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of available-for-sale financial assets until they are disposed of or impaired.

21. LONG-TERM BORROWINGS

	The Group 2016 RM'000	The Group 2015 RM'000
Hire purchase payables (Note 23)	264	697
Term loans (Note 24)	80,542	29,686
	80,806	30,383

22. DEFERRED TAX LIABILITIES

The Group	At 1.7.2015 RM'000	Recognised in Profit or Loss (Note 31) RM'000	At 30.6.2016 RM'000
2016			
Deferred Tax Liabilities			
Property, plant and equipment	5,168	1,278	6,446
Other temporary differences	395	(6)	389
	5,563	1,272	6,835
Deferred Tax Assets			
Allowance for impairment losses on trade receivables	(192)	-	(192)
Unabsorbed capital allowances	(4,680)	(936)	(5,616)
	691	336	1,027

The Group	At 1.7.2014 RM'000	Recognised in Profit or Loss (Note 31) RM'000	At 30.6.2015 RM'000
2015			
Deferred Tax Liabilities			
Property, plant and equipment	-	5,168	5,168
Other temporary differences	-	395	395
	-	5,563	5,563
Deferred Tax Assets			
Allowance for impairment losses on trade receivables	-	(192)	(192)
Unabsorbed capital allowances	-	(4,680)	(4,680)
	-	691	691

23. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2016 RM'000	2015 RM'000
Minimum hire purchase payments:		
- not later than one year	453	1,010
- later than one year and not later than five years	279	733
	732	1,743
Less: Future finance charges	(35)	(103)
Present value of hire purchase payables	697	1,640
The net hire purchase payables are repayable as follows:-		
Current (Note 27):		
- not later than one year	433	943
Non-current (Note 21):		
- later than one year and not later than five years	264	697
	697	1,640

The Group's hire purchase payables bore effective interest rates ranging from 3.50% to 4.55% (2015 - 3.50% to 4.55%) per annum at the end of the reporting period and are secured by a corporate guarantee of a related company.

24. TERM LOANS (SECURED)

	The Group	
	2016 RM'000	2015 RM'000
Current (Note 27):		
- not later than one year	13,045	5,462
Non-current (Note 21):		
- later than one year and not later than two years	15,956	5,635
- later than two years and not later than five years	45,890	16,419
- later than five years	18,696	7,632
	80,542	29,686
	93,587	35,148

24. TERM LOANS (SECURED) (CONT'D)

Details of the repayment terms are as follows:

Term Loans	Number of Monthly Instalments	Monthly Instalment RM	Date of Commencement of Repayment	Interest Rate per Annum	The Group 2016 RM'000	The Group 2015 RM'000
1	108	39,097	1 February 2010	4.40%	1,340	1,716
2	120	9,896	1 May 2012	4.60%	631	718
3	120	9,145	1 August 2012	4.45%	592	671
4	96	437,343	1 December 2013	4.80%	24,655	29,051
5	48	85,610	1 November 2014	8.10%	2,106	2,992
6	77	845,000	31 October 2016	7.75%	64,263	-
					93,587	35,148

The term loans bore effective interest rates ranging from 4.40% to 8.10% (2015 - 3.00% to 8.10%) per annum at the end of the reporting period and are secured by:

(i) legal charges over certain buildings and the vessels as disclosed in Note 6 to the financial statements;
(ii) a Deed of Assignment and assignments over the Collection Accounts over certain contract proceeds;
(iii) letters of set-off and Memorandum of Deposit against sinking funds account and subordination of debts;
(iv) pledges of fixed deposits as disclosed in Note 15 to the financial statements;
(v) letters of Negative Pledge executed by certain subsidiaries of the Group;
(vi) a first preferred mortgage on the vessels;
(vii) a first fixed and floating charge by way of Debenture on the present and future assets of two subsidiaries inclusive of their vessels;
(viii) insurance policy assignments on the vessels;
(ix) corporate guarantees by the Company, a subsidiary and a related party respectively; and
(x) a joint and several guarantee of certain directors of the Group.

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2015 - 30 to 60) days.

26. OTHER PAYABLES AND ACCRUALS

	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Other payables	62	76,020	13	34
Accruals	8,852	25,411	342	335
Deposits received	17	17	-	-
	8,931	101,448	355	369

Included in other payables in the previous financial year was an amount owing of RM75,511,705 owing to a supplier for the construction of a vessel.

27. SHORT-TERM BORROWINGS

	The Group	
	2016 RM'000	2015 RM'000
Invoice financing	-	608
Hire purchase payables (Note 23)	433	943
Term loans (Note 24)	13,045	5,462
	13,478	7,013

The invoice financing of the Group in the previous financial year bore an effective interest rate of 5.09% per annum and was secured in the same manner as the term loans as disclosed in Note 24 to the financial statements.

28. BANK OVERDRAFTS (SECURED)

The bank overdrafts of the Group bore an effective interest rate of 8.10% (2015 - 8.10% to 8.35%) per annum at the end of the reporting period and are secured in the same manner as the term loans as disclosed in Note 24 to the financial statements.

29. REVENUE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Manpower services	56,058	66,272	-	-
Hook up, construction and commissioning	67,469	97,167	-	-
Dividend income	-	-	-	14,398
	123,527	163,439	-	14,398

30. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Audit fees:				
- current financial year	172	173	37	35
- (over)/underprovision in the previous financial year	(1)	(1)	2	2
Depreciation of property, plant and equipment (Note 6)	4,649	3,486	-	-
Directors' remuneration (Note 37(a))				
- other emoluments	1,525	1,525	331	317
Property, plant and equipment written off (Note 6)	-	62	-	-
Interest expense:				
- bank overdrafts	370	208	-	-
- hire purchase	68	111	-	-
- invoice financing	-	116	-	-
- revolving credits	#	-	-	-
- term loans	2,997	1,932	-	-
- others	26	1	-	-
Listing expenses written off	-	464	-	464
Rental of machinery and equipment	5	441	-	-
Rental of premises	24	78	-	-
Rental of vehicles, yard and others	278	407	-	-
Provision for foreseeable losses	-	1,973	-	-
Staff costs:				
- salaries and other benefits	25,655	28,370	-	-
- defined contribution plan	1,774	2,237	-	-
Dividend income	-	-	-	(14,398)
Realised fair value gain on forward contract	(11,691)	-	-	-
Gain on disposal of property, plant and equipment	(4)	(63)	-	-
Gain on foreign exchange:				
- realised	(4,952)	(1,002)	-	-
- unrealised	(911)	(1,565)	-	-
Interest income:				
- fixed deposits	(1,420)	(1,751)	-	(1,165)
- others	(883)	(126)	(22)	(96)
Rental income	(66)	(1,624)	-	-

30. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables (Note 10)	150	350	-	-

- Less than RM1,000

31. INCOME TAX EXPENSE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense:				
- for the financial year	2,347	2,223	7	291
- underprovision in the previous financial year	153	173	24	-
	2,500	2,396	31	291
Deferred tax expense (Note 22):				
- for the financial year	350	900	-	-
- overprovision in the previous financial year	(14)	(209)	-	-
	336	691	-	-
	2,836	3,087	31	291

31. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation	6,287	(5,161)	327	14,769
Tax at the statutory tax rate of 24% (2015 - 25%)	1,509	(1,290)	78	3,692
Tax effects of:-				
Share of results in joint venture	5	(362)	-	-
Non-taxable income	(269)	(258)	(76)	(3,599)
Non-deductible expenses	297	590	5	198
Utilisation of deferred tax assets previously not recognised	-	(27)	-	-
Deferred tax assets not recognised during the financial year	1,155	4,445	-	-
Others	-	25	-	-
Under/(Over)provision in the previous financial year				
- current tax	153	173	24	-
- deferred tax	(14)	(209)	-	-
Income tax expense for the financial year	2,836	3,087	31	291

No deferred tax assets/(liabilities) was recognised for the following items:

	The Group	
	2016 RM'000	2015 RM'000
Accelerated capital allowances	(37,777)	1,775
Unrealised gain on foreign exchange	(322)	-
Allowance for impairment losses on trade receivables	624	119
Allowance for impairment losses on property, plant and equipment	660	660
Provision for foreseeable losses	-	1,973
Unused tax losses	19,629	15,193
Unabsorbed capital allowances	42,100	380
	24,914	20,100

At the end of the reporting period, the Group has unused tax losses and unabsorbed capital allowances (stated at gross) of approximately RM19,629,000 (2015 - RM15,193,000) and RM42,100,000 (2015 - RM380,000) respectively that are available for offset against future taxable profits of the subsidiaries in which the losses arose. No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised. The unused tax losses and unabsorbed capital allowances do not expire under current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

32. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is arrived at by dividing the Group's profit/(loss) attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, as follows:-

	The Group	
	2016	2015
Profit/(Loss) attributable to owners of the Company (RM)	3,452,000	(8,246,000)
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 July	233,878,000	173,178,000
Effect of public issue	-	38,748,219
Weighted average number of ordinary shares at 30 June	233,878,000	211,926,219
Basic earnings/(loss) per share (Sen)	1.48	(3.89)

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

33. DIVIDEND

	The Company	
	2016 RM'000	2015 RM'000
Paid:		
Single-tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 30 June 2016	-	2,339

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2016 RM'000	2015 RM'000
Cost of property, plant and equipment purchased (Note 6)	19,556	81,971
Amount owing to a supplier (Note 26)	-	(75,511)
Payment to a supplier for purchase of a vessel	75,511	-
Amount financed through borrowings	(62,428)	(477)
Cash disbursed for purchase of property, plant and equipment	32,639	5,983

During the financial year, the additional cost to the vessel in progress amounting to approximately RM17,971,000 (2015 - RM80,589,000) at cost was completed and subsequently reclassified to vessels as disclosed in Note 6 to the financial statements. Concurrently, the drawdown of the term loan of approximately RM62,428,000 (2015 - nil) during the financial year was used to repay the supplier for the outstanding vessel costs of approximately RM75,511,000 included in other payables for the financial year ended 30 June 2015.

35. ACQUISITION OF NON-CONTROLLING INTERESTS

On 15 February 2016, Carimin Marine Services Sdn. Bhd. acquired an additional 20% equity interests in Carimin Acacia Offshore Sdn. Bhd. for RM20, increasing its ownership from 80% to 100%. The summarised effect of changes in the equity interests was not presented as the acquisition of non-controlling interests had no material impact on the financial statements of the Group.

36. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed deposits with licensed banks (Note 15)	52,784	57,683	-	-
Short-term investments (Note 14)	13,733	11,022	2,015	-
Cash and bank balances	15,790	11,272	331	266
Bank overdrafts (Note 28)	(297)	(7,004)	-	-
	82,010	72,973	2,346	266
Less: Fixed deposits pledged to licensed banks (Note 15)	(19,702)	(20,070)	-	-
	62,308	52,903	2,346	266

37. DIRECTORS' REMUNERATION

(a) The aggregate amounts of remunerations received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive directors:				
- non-fee emoluments	1,194	1,208	-	-
Non-executive directors:				
- fees	288	300	288	300
- non-fee emoluments	43	17	43	17
	1,525	1,525	331	317

37. DIRECTORS' REMUNERATION (CONT'D)

(b) The number of directors of the Group and of the Company whose total remuneration received or receivable for the financial year falling in bands of RM100,000 are as follows:-

	The Group		The Company	
	2016	2015	2016	2015
	Number Of Directors		Number Of Directors	
Executive directors:-				
Nil	-	-	3	2
Below RM100,000	1	-	-	-
RM400,001 - RM500,000	1	1	-	-
RM500,001 - RM600,000	-	-	-	-
RM700,001 - RM800,000	1	1	-	-
Non-executive directors:-				
Below RM100,000	5	6	5	6
	8	8	8	8

38. CAPITAL COMMITMENTS

	The Group	
	2016	2015
	RM'000	RM'000
Contracted but not provided for:-		
Purchase of property, plant and equipment	320	14,284

39. CONTINGENT LIABILITIES

	The Group		The Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	-	64,944	-
Corporate guarantee extended to licensed banks by:				
- a subsidiary	27,402	38,817	-	-
- a related party	2,567	1,752	-	-
Bank/Performance guarantee extended to third parties by:				
- subsidiaries	4,812	5,504	-	-

40. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, joint ventures, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions

Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

		The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(i)	Subsidiaries:				
	- dividend income	-	-	-	14,398
	- management fees	-	-	860	24
(ii)	Joint venture:				
	- charter vessel paid/payable	(23,269)	(33,838)	-	-
(iii)	Key management personnel compensation:				
	- short-term employee benefits	(1,525)	(1,525)	(331)	(317)

Key management personnel comprise executive and non-executive directors of the Group who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

41. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into four (4) main reportable segments as follows:-

(i) Manpower services ("MPS") - providing services to its customers in sourcing suitable personnel to fulfil specified functions.

(ii) Hook up, construction and commissioning ("HUC") - providing offshore hook up and commissioning on production platforms typically involving the final installation, testing and commissioning of the facilities' structures machinery and equipment.

(iii) Marine services ("MS") - providing vessel chartering to external customers.

(iv) Others - comprises investment holding, providing corporate and management services, rental of equipment and machineries to external customers, neither of which are of a sufficient size to be reported separately.

41. OPERATING SEGMENTS (CONT'D)

Segment assets

The total of reportable segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Managing Director of the Group. Reportable segment total assets is used to measure the returns of assets of each segment.

Segment liabilities

The total of reportable segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Managing Director of the Group.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire plant and equipment other than goodwill.

Transactions between reportable segments are carried out on agreed terms between both parties.

BUSINESS SEGMENTS

	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
2016						
Revenue						
External revenue	56,058	67,469	-	-	-	123,527
Inter-segment revenue	14,225	2,281	7,419	4,915	(28,840)	-
Total revenue	70,283	69,750	7,419	4,915	(28,840)	123,527
Results						
Segment results	8,463	(3,012)	2,646	(631)	-	7,466
Finance costs	(332)	(435)	(2,614)	(80)	-	(3,461)
Interest income	1,708	472	100	23	-	2,303
Share of results in joint venture	-	-	-	-		(21)
Profit before taxation						6,287
Income tax expense						(2,836)
Consolidated profit after taxation						3,451

	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
2016						
Assets						
Segment assets	134,030	58,177	217,126	174,063	(310,897)	272,499
Tax recoverable						3,430
Consolidated total assets						275,929
Liabilities						
Segment liabilities	66,491	40,331	203,757	13,392	(212,751)	111,220
Deferred tax liabilities						1,027
Provision for taxation						615
Consolidated total liabilities						112,862

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2016	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
Capital expenditure						
Additions to non-current assets other than financial instruments:						
- property, plant and equipment	1	479	19,064	12	-	19,556

2016	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
Other material items of (income)/ expenses consist of the following:						
Depreciation of property, plant and equipment	657	106	3,010	876	-	4,649
Impairment loss on:						
- trade receivables	150	-	-	522	(522)	150
Interest expense	332	435	2,614	80	-	3,461
Interest income	(1,708)	(472)	(100)	(23)	-	(2,303)
Realised fair value gain on forward contract	(11,691)	-	-	-	-	(11,691)

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
2015						
Revenue						
External revenue	66,272	97,167	-	-	-	163,439
Inter-segment revenue	-	-	10,178	20,608	(30,786)	-
Total revenue	66,272	97,167	10,178	20,608	(30,786)	163,439
Results						
Segment results	7,962	(17,651)	4,515	(945)	-	(6,119)
Finance costs	(204)	(460)	(1,602)	(102)	-	(2,368)
Interest income	160	444	12	1,261	-	1,877
Share of results in joint venture						1,449
Loss before taxation						(5,161)
Income tax expense						(3,087)
Consolidated loss after taxation						(8,248)

	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
2015						
Assets						
Segment assets	146,685	98,673	149,057	186,170	(267,417)	313,168
Tax recoverable						2,107
Consolidated total assets						315,275
Liabilities						
Segment liabilities	87,116	76,584	140,813	24,068	(174,017)	154,564
Deferred tax liabilites						691
Provision for taxation						406
Consolidated total liabilities						155,661

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
2015						
Capital expenditure						
Additions to non-current assets other than financial instruments:						
- property, plant and equipment	604	542	80,589	236	-	81,971

	MPS RM'000	HUC RM'000	MS RM'000	Others RM'000	Elimination RM'000	Group RM'000
2015						
Other material items of (income)/ expenses consist of the following:						
Depreciation of property, plant and equipment	627	177	1,631	1,051	-	3,486
Impairment loss on:						
- trade receivables	320	30	-	-	-	350
Interest expense	204	460	1,602	102	-	2,368
Interest income	(160)	(444)	(12)	(1,261)	-	(1,877)
Provision for foreseeable losses	-	1,973	-	-	-	1,973

GEOGRAPHICAL SEGMENTS

No geographical segment information has been prepared as all the business operations of the Group are located in Malaysia.

MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of Group Revenue:

	Revenue		Segment
	2016 RM'000	2015 RM'000	
Customer A	63,262	96,291	HUC Segment
Customer B	23,282	7,141	MPS Segment
Customer C	13,452	24,903	MPS Segment

42. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

42.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities with the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign Currency Exposure

The Group	United States Dollar RM'000	Australian Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
2016					
Financial Assets					
Other investments	-	-	-	50	50
Trade receivables	792	-	29	19,201	20,022
Other receivables and deposits	-	-	-	1,000	1,000
Amount owing by joint venture	-	-	-	2,580	2,580
Short-term investments	-	-	-	13,733	13,733
Fixed deposits with licensed banks	-	-	-	52,784	52,784
Cash and bank balances	7,676	67	3	8,044	15,790
	8,468	67	32	97,392	105,959

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Australian Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
2016					
Financial Liabilities					
Trade payables	-	-	-	7,708	7,708
Other payables and accruals	-	-	-	8,931	8,931
Hire purchase payables	-	-	-	697	697
Term loans	-	-	-	93,587	93,587
Bank overdrafts	-	-	-	297	297
	-	-	-	111,220	111,220
Net financial assets/(liabilities)	8,468	67	32	(13,828)	(5,261)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	-	-	13,828	13,828
Currency Exposure	8,468	67	32	-	8,567
2015					
Financial Assets					
Other investments	-	-	-	50	50
Trade receivables	2,903	-	697	63,978	67,578
Other receivables and deposits	-	-	-	3,096	3,096
Amount owing by joint venture	-	-	-	2,580	2,580
Short-term investments	-	-	-	11,022	11,022
Fixed deposits with licensed banks	-	-	-	57,683	57,683
Cash and bank balances	7,611	65	894	2,702	11,272
	10,514	65	1,591	141,111	153,281
Financial Liabilities					
Trade payables	56	-	-	8,660	8,716
Other payables and accruals	-	-	-	101,448	101,448
Invoice financing	-	-	-	608	608
Hire purchase payables	-	-	-	1,640	1,640
Term loans	-	-	-	35,148	35,148
Bank overdrafts	-	-	-	7,004	7,004
	56	-	-	154,508	154,564

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Australian Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
2015					
Net financial assets/(liabilities)	10,458	65	1,591	(13,397)	(1,283)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	-	-	13,397	13,397
Currency Exposure	10,458	65	1,591	-	12,114

The Company	Ringgit Malaysia RM'000	Total RM'000
2016		
Financial Assets		
Other receivables and deposits	24	24
Amount owing by subsidiaries	68,083	68,083
Short-term investments	2,015	2,015
Cash and bank balances	331	331
	70,453	70,453
Financial Liabilities		
Other payables and accruals	355	355
Amount owing to subsidiaries	420	420
	775	775
Net financial assets	69,678	69,678
Less: Net financial assets denominated in the Company's functional currency	(69,678)	(69,678)
Currency Exposure	-	-

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	Ringgit Malaysia RM'000	Total RM'000
2015		
Financial Assets		
Other receivables and deposits	1	1
Amount owing by subsidiaries	80,206	80,206
Cash and bank balances	266	266
	80,473	80,473
Financial Liabilities		
Other payables and accruals	369	369
Amount owing to subsidiaries	10,436	10,436
	10,805	10,805
Net financial assets	69,668	69,668
Less: Net financial assets denominated in the Company's functional currency	(69,668)	(69,668)
Currency Exposure	-	-

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Effects on Profit/(Loss) After Taxation				
USD/RM				
- strengthened by 10%	+644	-784	-	-
- weakened by 10%	-644	+784	-	-
AUD/RM				
- strengthened by 10%	+5	-5	-	-
- weakened by 10%	-5	+5	-	-
SGD/RM				
- strengthened by 10%	+2	-119	-	-
- weakened by 10%	-2	+119	-	-

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities with variable rates. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group's fixed deposits with licensed banks and hire purchase payables are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Notes 14, 21 and 27 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		**The Company**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Effects on Profit/(Loss) After Taxation				
Increase of 100 basis points (bp)	-609	-238	-	-
Decrease of 100 bp	+609	+238	-	-

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 365 days, which are deemed to have higher credit risk, are monitored individually.

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) customers which constituted approximately 52% (2015 - 54%) of its trade receivables at the end of the reporting period.

(ii) Exposure to Credit Risk

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group		**The Company**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysia	20,022	67,128	-	-
Myanmar	-	450	-	-
	20,022	67,578	-	-

(iii) Ageing Analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	**Gross Amount RM'000**	**Collective Impairment RM'000**	**Carrying Value RM'000**
2016			
Not past due	14,216	-	14,216
Past due:			
- less than 1 month	2,174	-	2,174
- 2 to 3 months	1,543	-	1,543
- over 3 months	2,441	(396)	2,045
Non-retention sum portion	20,374	(396)	19,978
Retention sum portion	44	-	44
	20,418	(396)	20,022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing Analysis (Cont'd)

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM'000	Collective Impairment RM'000	Carrying Value RM'000
2015			
Not past due	57,268	-	57,268
Past due:			
- less than 1 month	4,880	-	4,880
- 2 to 3 months	2,511	-	2,511
- over 3 months	3,585	(886)	2,699
Non-retention sum portion	68,244	(886)	67,358
Retention sum portion	220	-	220
	68,464	(886)	67,578

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2016						
Non-derivative Financial Liabilities						
Trade payables	-	7,708	7,708	7,708	-	-
Other payables and accruals	-	8,931	8,931	8,931	-	-
Hire purchase payables	4.03	697	732	453	279	-
Term loans	5.55	93,587	114,994	19,130	75,767	20,097
Bank overdrafts	8.10	297	297	297	-	-
		111,220	132,662	36,519	76,046	20,097
2015						
Non-derivative Financial Liabilities						
Trade payables	-	8,716	8,716	8,716	-	-
Other payables and accruals	-	101,448	101,448	101,448	-	-
Invoice financing	5.09	608	608	608	-	-
Hire purchase payables	4.03	1,640	1,743	1,010	733	-
Term loans	5.55	35,148	46,072	6,973	25,555	13,544
Bank overdrafts	8.23	7,004	7,004	7,004	-	-
		154,564	165,591	125,759	26,288	13,544

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2016						
Non-derivative Financial Liabilities						
Other payables and accruals	-	355	355	355	-	-
Amount owing to subsidiaries	-	420	420	420	-	-
		775	775	775	-	-
2015						
Non-derivative Financial Liabilities						
Other payables and accruals	-	369	369	369	-	-
Amount owing to subsidiaries	-	10,436	10,436	10,436	-	-
		10,805	10,805	10,805	-	-

42.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest.

42. FINANCIAL INSTRUMENTS (CONT'D)

42.2 CAPITAL RISK MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Group at the end of the reporting period is as follows:-

	The Group	
	2016 RM'000	2015 RM'000
Invoice financing (Note 27)	-	608
Hire purchase payables (Note 23)	697	1,640
Term loans (Note 24)	93,587	35,148
Bank overdrafts (Note 28)	297	7,004
	94,581	44,400
Less: Short-term investments (Note 14)	(13,733)	(11,022)
Less: Fixed deposits with licensed banks (Note 15)	(52,784)	(57,683)
Less: Cash and bank balances	(15,790)	(11,272)
Net debt	12,274	(35,577)
Total equity	163,067	159,614
Debt-to-equity ratio	0.08	N/A

The debt-to-equity ratio in the previous financial year was not presented as the cash and cash equivalents exceeded the total loans and borrowings from financial institution.

42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Financial Assets				
Available-for-sale Financial Assets				
Other investments	50	50	-	-
Short-term investments	13,733	11,022	2,015	-
	13,783	11,072	2,015	-
Loans and Receivables Financial Assets				
Trade receivables	20,022	67,578	-	-
Other receivables and deposits	1,000	3,096	24	1
Amount owing by subsidiaries	-	-	68,083	80,206
Amount owing by joint venture	2,580	2,580	-	-
Fixed deposits with licensed banks	52,784	57,683	-	-
Cash and bank balances	15,790	11,272	331	266
	92,176	142,209	68,438	80,473
Financial Liabilities				
Other Financial Liabilities				
Trade payables	7,708	8,716	-	-
Other payables and accruals	8,931	101,448	355	369
Amount owing to subsidiaries	-	-	420	10,436
Invoice financing	-	608	-	-
Hire purchase payables	697	1,640	-	-
Term loans	93,587	35,148	-	-
Bank overdrafts	297	7,004	-	-
	111,220	154,564	775	10,805

42. FINANCIAL INSTRUMENTS (CONT'D)

42.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair	Carrying
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Value	Amount
The Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2016								
Financial Assets								
Other investments								
- club memberships	-	-	-	-	-	-	#	50
Short-term investments	-	13,733	-	-	-	-	13,733	13,733
Financial Liabilities								
Hire purchase payables	-	-	-	-	264	-	264	264
Term loans	-	-	-	-	80,542	-	80,542	80,542
2015								
Financial Assets								
Other investments								
- club memberships	-	-	-	-	-	-	#	50
Short-term investments	-	11,022	-	-	-	-	11,022	11,022
Financial Liabilities								
Hire purchase payables	-	-	-	-	697	-	697	697
Term loans	-	-	-	-	29,686	-	29,686	29,686
The Company								
2016								
Financial Assets								
Short-term investments	-	2,015	-	-	-	-	2,015	2,015

- The fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the investment.

42. FINANCIAL INSTRUMENTS (CONT'D)

42.4 FAIR VALUE INFORMATION (CONT'D)

(a) The fair values above are for disclosure purposes and have been determined using the following basis:-

(i) The fair value of the club membership is estimated based on its market price at the end of the reporting period.

(ii) The fair values of the short-term investments are measured at their market price at the end of the reporting period.

(iii) The fair values of hire purchase payables and term loans are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2016	2015	2016	2015
	%	%	%	%
Hire purchase payables	4.03	4.03	-	-
Term loans	6.25	5.55	-	-

(b) There were no transfer between level 1 and level 2 during the financial year.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 8 July 2015, Carimin Engineering Services Sdn. Bhd. ("CESSB") received a letter of award from Lundin Malaysia B.V. ("Lundin") for the provision of topside major maintenance ("TMM") ("Contract"). CESSB is required to provide topside maintenance services based on Work Order issuance basis for Lundin's Wellhead Platform ("WHP") and Floating Production Storage and Offloading ("FPSO") unit in Bertam offshore oil field. The Contract is expected to commence immediately and be effective for two (2) years until 2017. The Contract has an option for a further one (1) year extension.

(b) On 15 February 2016, Carimin Marine Services Sdn. Bhd. ("CMS"), acquired an additional 20 ordinary shares of RM1 each representing 20% of the issued and paid-up share capital of Carimin Acacia Offshore Sdn. Bhd. ("Acacia") for a total consideration of RM20 from Keyfield Offshores Limited. Acacia became a wholly-owned subsidiary of CMS.

(c) On 22 February 2016, CMS subscribed for an additional 4,999,900 new ordinary shares of RM1 each in Acacia, a wholly-owned subsidiary of CMS, for a total subscription price of RM4,999,900.

(d) On 24 February 2016, Petronas Carigali Sdn. Bhd. awarded CESSB, a wholly-owned subsidiary of Carimin Petroleum Berhad ("CPB"), a contract to provide mechanical services. The Contract commenced on 2 March 2016 and is expected to complete on 1 March 2018 with an option to extend for another one (1) year to 1 March 2019.

44. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING DATE

On 20 July 2016, CPB executed a Share Sale Agreement ("SSA") to acquire 60% of the issued and paid-up share capital consisting of 1,500,000 ordinary shares of RM1 each in Noblecorp Builders Sdn. Bhd. now known as Carimin Bina Sdn Bhd ("CBSB") for a total cash consideration of RM838,000.

The acquisition was completed on 8 August 2016 and CBSB became a 60% owned subsidiary of CPB.

45. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/ LOSSES

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period 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:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits of the Company and its subsidiaries:				
- realised	107,011	114,883	12,394	12,098
- unrealised	(116)	852	-	-
	106,895	115,735	12,394	12,098
Total share of retained profits of joint venture:				
- realised	5,380	4,696	-	-
- unrealised	(1,712)	(1,007)	-	-
	3,668	3,689	12,394	12,098
Less: Consolidation adjustments	(16,081)	(28,391)	-	-
At 30 June	94,482	91,033	12,394	12,098

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2016

Authorised Capital	:	RM300,000,000.00
Issued and Fully Paid-Up Capital	:	RM116,939,000.00 comprising 233,878,000 Ordinary Shares of RM0.50 each
Class of Equity Securities	:	Ordinary Shares of RM0.50 each
Voting Rights by show of hand	:	One vote for every member
Voting Rights by poll	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100 shares	4	200	*
100 - 1,000 shares	125	97,300	0.04
1,001 - 10,000 shares	521	3,235,500	1.38
10,001 - 100,000 shares	273	9,213,500	3.94
100,001 - less than 5% of issued shares	63	79,021,138	33.79
5% and above of issued shares	4	142,310,362	60.85
Total	**990**	**233,878,000**	**100.00**

Note:
* - negligible

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Mokhtar Bin Hashim	58,873,234	25.17	-	-
Cipta Pantas Sdn Bhd	40,710,128	17.41	-	-
Wong Kong Foo	-	-	45,477,128[1]	19.45
Estate of Datuk Yahya Bin Yaacob	-	-	40,710,128[2]	17.41
Platinum Castle Sdn. Bhd.	25,500,000	10.90	-	-
WHE Bina Sdn. Bhd.	-	-	25,500,000[3]	10.90
Wan Hamdan Bin Wan Embong	-	-	25,500,000[3]	10.90
Dynac Sdn Bhd	20,730,000	8.86	-	-
Abdul Rahman Bin Mohamed Shariff	-	-	20,730,000[4]	8.86

Notes:
(1) *Deemed interest by virtue of section 6(A) of the Companies Act 1965 ("the Act") through Intan Kuala Lumpur Sdn Bhd, Tema Samudera Sdn Bhd and Cipta Pantas Sdn Bhd.*
(2) *Deemed interest by virtue of section 6(A) of the Act through Cipta Pantas Sdn Bhd.*
(3) *Deemed interest by virtue of section 6(A) of the Act through Platinum Castle Sdn Bhd.*
(4) *Deemed interest by virtue of section 6(A) of the Act through Dynac Sdn Bhd*

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Kamaruzzaman Bin Shariff	7,050,000	3.01	-	-
Lim Yew Hoe	1,616,200	0.69	300,000[5]	0.13
Mokhtar Bin Hashim	58,873,234	25.17	-	-
Shatar Bin Abdul Hamid	9,118,138	3.90	-	-
Yip Jian Lee	50,000	0.02	-	-
Mohd Rizal Bahari Bin Md Noor	50,000	0.02	-	-
Wan Muhamad Hatta Bin Wan Mos	50,000	0.02	-	-
Dato' Ir. Mohamad Razali Bin Othman	50,000	0.02	-	-

Notes:

(5) *Deemed interested by virtue of Section 134 of the Act through the shareholdings of his spouse.*

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2016

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	Mokhtar Bin Hashim	58,870,234	25.17
2	AmSec Nominees (Tempatan) Sdn. Bhd. (Pledged securities account – AmBank (M) Berhad for Cipta Pantas Sdn. Bhd.)	40,710,128	17.41
3	Alliancegroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Platinum Castle Sdn. Bhd.)	22,000,000	9.41
4	AmSec Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Dynac Sdn. Bhd.)	20,730,000	8.86
5	HSBC Nominees (Asing) Sdn. Bhd. (Exempt an for Credit Suisse Securities (Europe) Limited)	7,350,000	3.14
6	Tan Sri Dato' Kamaruzzaman Bin Shariff	7,050,000	3.01
7	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Citaglobal Sdn. Bhd.)	6,878,100	2.94
8	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Carol Vun On Nei)	6,531,900	2.79
9	Shatar Bin Abdul Hamid	6,039,638	2.58
10	Intan Kuala Lumpur Sdn. Bhd.	4,727,000	2.02
11	Platinum Castle Sdn. Bhd.	3,500,000	1.50
12	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Shatar Bin Abdul Hamid)	3,078,500	1.32
13	PFM Capital Sdn. Bhd.	3,000,000	1.28
14	Citigroup Nominees (Asing) Sdn. Bhd. (UBS AG for Maybank Kim Eng Securities Pte. Ltd.)	2,125,800	0.91
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Carol Vun On Nei)	1,765,400	0.75

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2016 (CONT'D)
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
16	M & A Nominee (Tempatan) Sdn. Bhd. For Pelaburan Mara Berhad	1,666,100	0.71
17	Lim Yew Hoe	1,616,200	0.69
18	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Shaharool Nizam Bin Mohd Kassim)	1,490,200	0.64
19	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Che Nor Rubiah Binti Md Nawi)	1,479,900	0.63
20	Muhammad Hatta Bin Noah	1,365,300	0.58
21	M & A Nominee (Tempatan) Sdn. Bhd. (Sanston Financial Group Limited for Asiabio Capital Sdn. Bhd.)	1,353,700	0.58
22	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Grace Vun Siaw Nei)	1,200,000	0.51
23	HLB Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Tawaria Sdn. Bhd.)	1,000,000	0.43
24	Tai Hooi Kheng	1,000,000	0.43
25	Ong Puay Koon @ Mah Sock Heng	950,000	0.41
26	Poh Pek Boon	900,000	0.38
27	Pelaburan Mara Berhad	845,200	0.36
28	Lee Choon Boey	734,900	0.31
29	Alliancegroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Salmiah Binti Saidan)	672,000	0.29
30	Wong Wei Choy	600,000	0.26

PROPERTIES OCCUPIED AND OWNED BY THE GROUP

The summary of the information on the material land and buildings owned by our Group as at 30 June 2016 are set out below:

Registered Owner	Postal address Description of property/ existing use	Tenure/ Expiry of Lease/ Age of Building	Category of Land Use/ Land area/ Built-up area (sq m)	Audited NBV as at 30 June 2016 (RM)
Carimin Sdn. Bhd. ("CSB")	(i) No. 6048, Bangunan Miel, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu	Leasehold of 60 years expiring on 22 Aug 2057	Industrial 7,288	306,602
	(ii) B-1-4, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur Office lot	Freehold 17 years	179	920,018
	(iii) B-1-5, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur Office Lot	Freehold 17 years	179	714,820
	(iv) B-1-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur Office Lot	Freehold 17 years	179	674,359

Registered Owner	Postal address Description of property/ existing use	Tenure/ Expiry of Lease/ Age of Building	Category of Land Use/ Land area/ Built-up area (sq m)	Audited NBV as at 30 June 2016 (RM)
Carimin Sdn. Bhd. ("CSB")	(v) B-1-7, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur Office lot	Freehold 17 years	179	674,359
	(vi) B-1-8, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur Office lot	Freehold 17 years	391	1,575,896
	(vii) B-7-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur Office lot	Freehold 17 years	215	840,583
	(viii) No.7, Jalan SS15/2A, Subang Jaya, 47500 Selangor Darul Ehsan Double storey intermediate terrace shophouse Office use	Freehold 30 years	123 246	224,911
Carimin Engineering Services Sdn. Bhd. ("CES")	(ix) 2 units of single storey workshop, 1 unit of storage building, 3 units of guardhouse and 1 unit of outdoor toilet erected on No. 4094, 4095, 4100, 4101 and 6048, Bangunan Miel, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu	4 years	1,499	1,690,224

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of CARIMIN PETROLEUM BERHAD ("Carimin" or "the Company") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 22 November 2016 at 2.30 p.m. to transact the following businesses:-

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note i***

2. To approve the payment of Directors' fees for the financial year ended 30 June 2016. ***Resolution 1***

3. To re-elect the following Directors who retire by rotation pursuant to Article 103 of the Company's Articles of Association :

   i. Pn. Yip Jian Lee ***Resolution 2***
   ii. Dato' Ir Mohamad Razali Bin Othman ***Resolution 3***

4. To re-elect En. Lim Yew Hoe as Director who retires by rotation pursuant to Article 108 of the Company's Articles of Association. ***Resolution 4***

5. To re-appoint Tan Sri Dato' Kamaruzzaman Bin Shariff, who is over the age of seventy (70) years, as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. ***Resolution 5***

6. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. ***Resolution 6***

As Special Business:
To consider and if thought fit, pass with or without any modifications, the following resolutions:-

7. **ORDINARY RESOLUTION** ***Resolution 7***
   GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board

TEA SOR HUA (MACS 01324)
YONG YEN LING (MAICSA 7044771)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
Date: 20 October 2016

Notes:

i. The Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders and hence, is not put forward for voting.

ii. A member entitled to attend and vote at the Fourth Annual General Meeting ("AGM" or "Meeting") is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

iii. A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

iv. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

vi. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an officer or attorney so authorised.

vii. To be valid, the instrument appointing a proxy must be deposited at the registered office of the Company situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.

viii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 67(b) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 15 November 2016. Only members whose names appear in the General Meeting Record of Depositors as at 15 November 2016 shall be regarded as members and entitled to attend, speak and vote at the AGM.

EXPLANATORY NOTES TO SPECIAL BUSINESS

Item 7 of the Agenda

The Ordinary Resolution proposed under item 7 of the Agenda, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s). This would avoid any delay and cost incurred in convening at a general meeting to approve such an issue of shares.

This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

CARIMIN
GROUP OF COMPANIES

CARIMIN PETROLEUM BERHAD (908388-K)
(Incorporated in Malaysia)

PROXY FORM

I/We ______________________________________ NRIC/Company No. ______________________
(full name in capital letters)
of ____
(full address)
being (a) member(s) of CARIMIN PETROLEUM BERHAD hereby appoint ______________________

______________________________________ NRIC No. ______________________________
(full name in capital letters)
of ____
(full address)
and/or* ______________________________________ NRIC No. ______________________________
(full name in capital letter)
of ____
(full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 22 November 2016 at 2.30 p.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees for the financial year ended 30 June 2016.		
2.	To re-elect Pn. Yip Jian Lee as Director who retires pursuant to Article 103 of the Company's Articles of Association.		
3.	To re-elect Dato' Ir Mohamad Razali Bin Othman as Director who retires pursuant to Article 103 of the Company's Articles of Association.		
4.	To re-elect En. Lim Yew Hoe as Director who retires pursuant to Article 108 of the Company's Articles of Association.		
5.	To re-appoint Tan Sri Dato' Kamaruzzaman Bin Shariff as Director of the Company.		
6.	To re-appoint Messrs. Crowe Horwath as Auditors of the Company.		
7.	To authorise the Directors to allot shares pursuant to Section 132D of the Companies Act, 1965.		

**delete whichever not applicable*

CDS Account No.	
Number of Shares Held	

Dated this __________ day of ____________________ 2016.

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	**%**
Proxy 1		
Proxy 2		
TOTAL		100

____
Signature of Member(s)/Common Seal

NOTES:

i. A member entitled to attend and vote at the Fourth Annual General Meeting ("AGM" or "Meeting") is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
ii. A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
iv. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
v. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an officer or attorney so authorised.
vi. To be valid, the instrument appointing a proxy must be deposited at the registered office of the Company situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.
vii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 67(b) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 15 November 2016. Only members whose names appear in the General Meeting Record of Depositors as at 15 November 2016 shall be regarded as members and entitled to attend, speak and vote at the AGM.

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AFFIX
STAMP

The Company Secretary
CARIMIN PETROLEUM BERHAD (908388-K)
c/o Cospec Management Services Sdn. Bhd.
Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

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