CARIMIN

CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia)
Registration No.: 201201006787 (908388-K)

Together we move beyond

Challenges

ANNUAL REPORT 2021

CONTENTS

9th ANNUAL GENERAL MEETING OF CARIMIN PETROLEUM BERHAD

2 December 2021

Refer to page 161 to 163 for Annual General Meeting Information.

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

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

The business for the group 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 ("HUC") of onshore/offshore facilities and the provision of sub-sea underwater inspections, repair, maintenance works and services ("IRM") for the Oil and Gas industries.

CARIMIN is licensed by Petronas to supply Products & Services, Marine Vessels and Underwater inspection services to exploration and Oil/Gas Companies in Malaysia.

Other licenses and certifications held include:-
- Ministry of Finance ("MOF") for Supply Product;
- ISO 9001:2015 Certification;
- Construction Industry Development Board ("CIDB") G7 category; and
- Department of Occupational Safety and Health ("DOSH")

In addition, we now offer general contracting services and trading of geotechnical engineering products under our Civil Construction division.

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 completed projects valued at more than RM1.0 billion since its inception and among our notable portfolio of clients include oil majors PETRONAS Carigali, Shell, Murphy Oil, Repsol, ExxonMobil, New Field, Petrofac, HESS and Nippon Oil.

In our registry, we own an anchor handling tug supply vessel ("AHTS") and two (2) accommodation work boat vessel ("AWB") namely CARIMIN Airis, CARIMIN Acacia and SK Deep Sea respectively. SK Deep Sea ownership is through a 15% investment in Synergy Kenyalang Offshore Sdn. Bhd., the registered owner of the vessel. Both the AHTS and AWB vessels are integral to the Group's offshore HUC, production platform system maintenance, upgrading services and marine support services.

OUR KEY MILESTONES

Since Incorporation

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 from **Murphy Oil** to supply drilling professional.

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.

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 Industri 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 acquired 14% of **Synergy Kenyalang Offshore Sdn. Bhd.**, which owns SK Deep Sea, an Accommodation Work Boat, paving the way for Carimin’s entry into the provision of offshore marine support vessel services.

OUR KEY MILESTONES

Since Incorporation

(Cont'd)

2013

Acquired Carimin Airis, an Anchor Handling Tug Supply vessel.

Secured the Peninsular Malaysia hook up and commissioning contract.

BURSA MALAYSIA

2014

Successfully listed on the Main Market of Bursa Malaysia.

Commissioned a shipyard to build Carimin Acacia, an Accommodation Work Boat.

2015

Secured an Umbrella contract (2 years) 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

Received 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.

2017

Collaborate with **Emas Energy Services (Thailand) Limited** to pursue tender bids involving decommissioning, well plug and abandonment services.

Secured its first ever (3+1 years) EPCIC contract from **ROC Oil,** Sarawak.

Secured Maintenance, Construction and Modification ("MCM") Services for Peninsular Malaysia Operations – Oil from **PETRONAS Carigali Sdn. Bhd.**

PETRONAS

2018

Acquired 5 acres of land to further expand the yard facilities at Teluk Kalung Yard (TKY);

Secured (15 months) Hook-up, Commissioning and Topside Major Maintenance Services – Peninsular (Angsi and TCOT Related Works) contract from **PETRONAS Carigali Sdn. Bhd.**

2019

Secured (2+1 years) Mechanical and Piping Maintenance Services for Labuan Crude Oil Terminal (LCOT) contract from Sea Hibiscus;

Acquired Subnautica Sdn. Bhd. now known as **Carimin Subsea Sdn. Bhd.** and expanded into sub-sea and underwater inspection, repair, and maintenance works and services (IRM).

Secured PAN Malaysia Underwater Services for Petroleum Arrangement Contractor (PACs) – Package B for the provision of Diving Support Vessel, DP2 with inspection class ROV c/w Competent Personnel for a firm 200 days charter.

2020

Received Work Order Award for the provision of Accommodation Work Boat (AWBOAT) for **PETRONAS Carigali Sdn. Bhd.** for a duration of 716 days.

Secured (4 years) contract for the provision of Integrated Hook-Up and Commissioning (iHUC) Services for **PETRONAS Carigali Sdn. Bhd.** (Package C: SKG);

Granted (1 year) extension for the provision of Equipment, Tools, Consumables and Manpower services for Flowline and Piping Repair for Block B-17 & C-19 and Block B-17-01 from **Carigali-PTTEPI Operating Company Sdn. Bhd.** ("CPOC").

Tied up with **DOF Subsea Asia Pacific Pte Ltd** to promote and/ or market the vessel assets, Work class ROV and associated services of DOF in Malaysia.

2021

Finalized the award for the development of our fabrication yard which consist of 2-storey office building, open and closed warehouses. Construction work shall take approximately 18 months.

Granted (1 year) extension for the Mechanical and Piping Maintenance Services for Labuan Crude Oil Terminal (LCOT) contract from Sea Hibiscus;

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mokhtar Bin Hashim
Managing 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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

Mohd Rizal Bahari Bin Md Noor (Chairman)
Tan Sri Dato' Kamaruzzaman Bin Shariff
Yip Jian Lee
Wan Muhamad Hatta Bin Wan Mos

RISK MANAGEMENT COMMITTEE

Wan Muhamad Hatta Bin Wan Mos (Chairman)
Mohd Rizal Bahari Bin Md Noor
Mokhtar Bin Hashim

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)
SSM Practising Certificate No. 201908001272

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60, 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
Wilayah Persekutuan
Tel: 03-2168 7000
Fax: 03-2164 2199/ 03-2171 1792
Website: www.carimin.com

KEMAMAN YARD

Lot 3691, Kawasan Industri
Telok Kalung
MIEL, 24007 Telok Kalung
Kemaman, Terengganu
Fax: 09-8623 477/ 09-8631 067
Tel: 09-8631 513

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
Wilayah Persekutuan
Tel: 03-2783 9299
Fax: 03-2783 9222

AUDITORS

Crowe Malaysia PLT
Firm No. 201906000005
(LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Tel: 03-2788 9999
Fax: 03-2788 9998

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Ambank (M) Berhad
Bank Pembangunan Malaysia Berhad
CIMB Bank 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

CARIMIN

CARIMIN PETROLEUM BERHAD
Registration No.: 201201006787 (908388-K)
Investment Holding

100 %
CARIMIN SDN. BHD.
Manpower supply services

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

100 %
CARIMIN ENGINEERING SERVICES SDN. BHD.
Construction, Offshore hook up and commissioning and topside major maintenance services

100 %
FAZU RESOURCES (M) SDN. BHD.
Dormant

100 %
CARIMIN CORPORATE SERVICES SDN. BHD.
Corporate management services

100 %
CARIMIN MARINE SERVICES SDN. BHD.
Chartering of offshore support vessel

100 %
CARIMIN AIRIS OFFSHORE SDN. BHD.
Chartering of offshore support vessel

100 %
CARIMIN ACACIA OFFSHORE SDN. BHD.
Chartering of offshore support vessel

15 %
SYNERGY KENYALANG OFFSHORE SDN. BHD.
Chartering of offshore support vessel

60 %
CARIMIN RESOURCES SERVICES SDN. BHD.
Dormant

60 %
CARIMIN BINA SDN. BHD.
General contracting work and trading of geosynthetic products

60 %
CARIMIN SUBSEA SDN. BHD.
(Formerly known as Subnautica Sdn. Bhd.)
Engaging in subsea underwater inspections, repairs and maintenance services

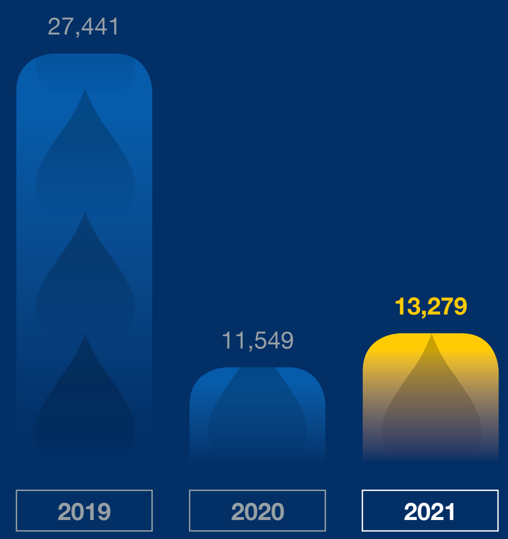
Oil and Gas supported | Civil Engineering | Dormant

FINANCIAL HIGHLIGHTS

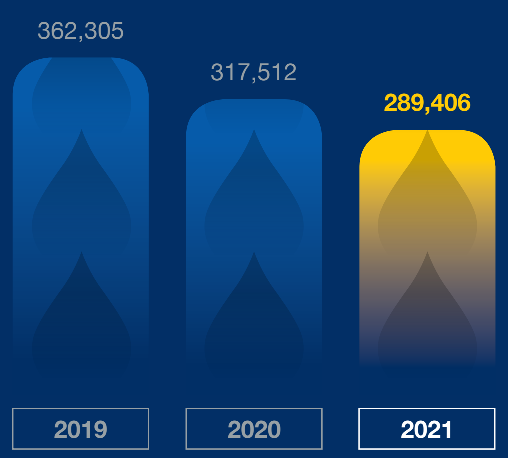
	FYE 2021 RM'000	FYE 2020 RM'000	FYE 2019 RM'000
Financial Results			
Revenue	165,252	373,856	441,138
Profit/(Loss) before tax	19,365	18,423	29,931
Profit/(Loss) after tax	13,279	11,549	27,441
Net profit/(Loss) attributable to:			
Owners of the company	13,318	12,933	27,679
Non-controlling interest	(39)	(1,384)	(238)
Financial Position			
Assets			
Property, plant and equipment	97,782	103,941	113,508
Right-of-use assets	2,652	3,037	-
Investments	2,633	4,271	4,335
Current assets	186,339	206,263	244,462
Total assets	289,406	317,512	362,305
Equity			
Share capital	149,385	149,385	149,385
Reserves	26,339	14,011	7,828
Total equity attributable to owners of the company	175,724	163,396	157,213
Non-controlling interests	(119)	(80)	944
Liabilities			
Deferred tax liabilities	36	409	756
Bank borrowing	30,881	41,053	53,518
Lease liabilities	1,024	1,255	-
Current liabilities	81,860	111,479	149,874
Total equity and liabilities	289,406	317,512	362,305
WA no. of ordinary share	**233,878,000**	**233,878,000**	**233,878,000**
Financial Indicators			
Earnings/(Loss) per share (sen)	**5.69**	**5.53**	**11.83**
Net dividend per share (sen)	**1.00**	**1.20**	**3.00**
Net assets per share (RM)	**0.75**	**0.70**	**0.67**
Return on equity (%)	**7.58**	**7.92**	**17.61**

Revenue
(RM'000) 165,252

Profit/(Loss) After Tax
(RM'000) 13,279



Total Assets
(RM'000) 289,406



Shareholder's Equity
(RM'000) 175,724

Highly Dedicated

providing a comprehensive range of oil and gas related services

Tan Sri Dato' Kamaruzzaman Bin Shariff

Malaysian
Aged 79, 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 and Remuneration Committee of the Company. He attended all six (6) Board Meetings held in the financial year.

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 does not hold directorships in any other public companies and listed issuers.

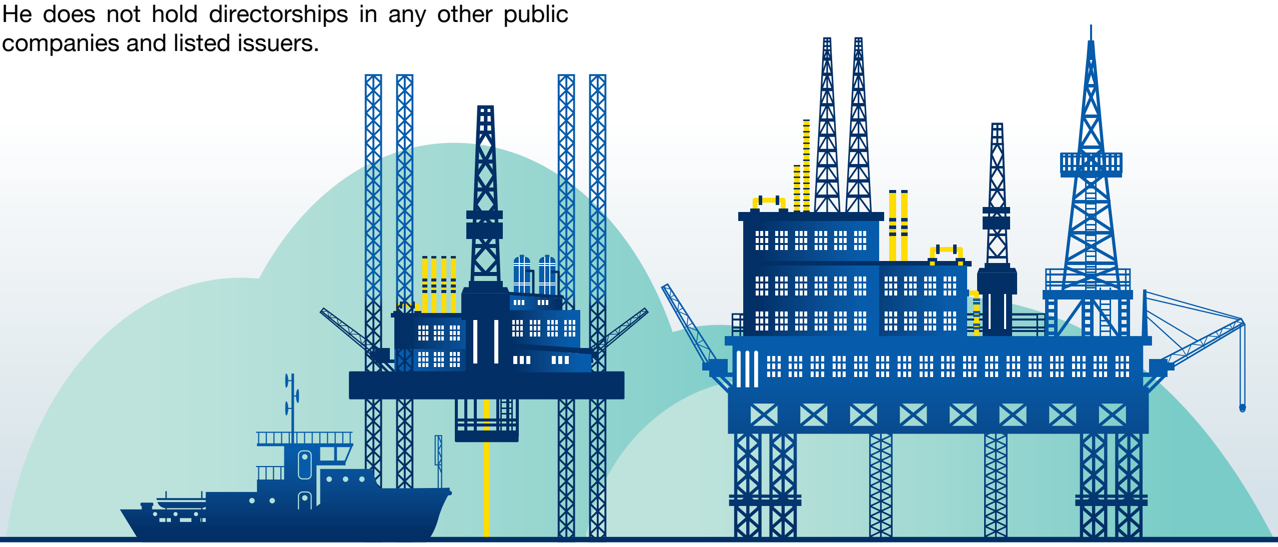
Mokhtar Bin Hashim

Malaysian
Aged 62, 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 Risk Management Committee of the Company. He attended all six (6) Board Meetings held in the financial year.

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. He does not hold directorships in any other public companies and listed issuers.



Lim Yew Hoe

Malaysian
Aged 53, Male

Executive Director and Key Senior Management

Lim Yew Hoe was appointed to the Board on 19 April 2016 as our Executive Director and attended all six (6) Board meetings held in the financial year. He is responsible for overseeing a wide spectrum of matters related to the Group's corporate and finance operations.

Having started his career in finance and later operations management beyond the past two decades, En. Lim has experiences in trading, manufacturing, sales & marketing operations, corporate finance and business development. He joined Emas Kiara, a multifaceted geosynthetic manufacturing and engineering construction group in 1995 and was its Group Chief Operating Officer till 2003. Following the public listing of Emas Kiara Industries Berhad Group on Bursa Malaysia in 2004, he was appointed an Executive Director and served as a board member till February 2016. In 2001, he obtained an Executive Master's in Business Administration from Greenwich University, Australia.

Currently, he has directorships in several private limited companies which are involved in construction engineering services, investment holding and property development but not in any other public companies and listed issuers.

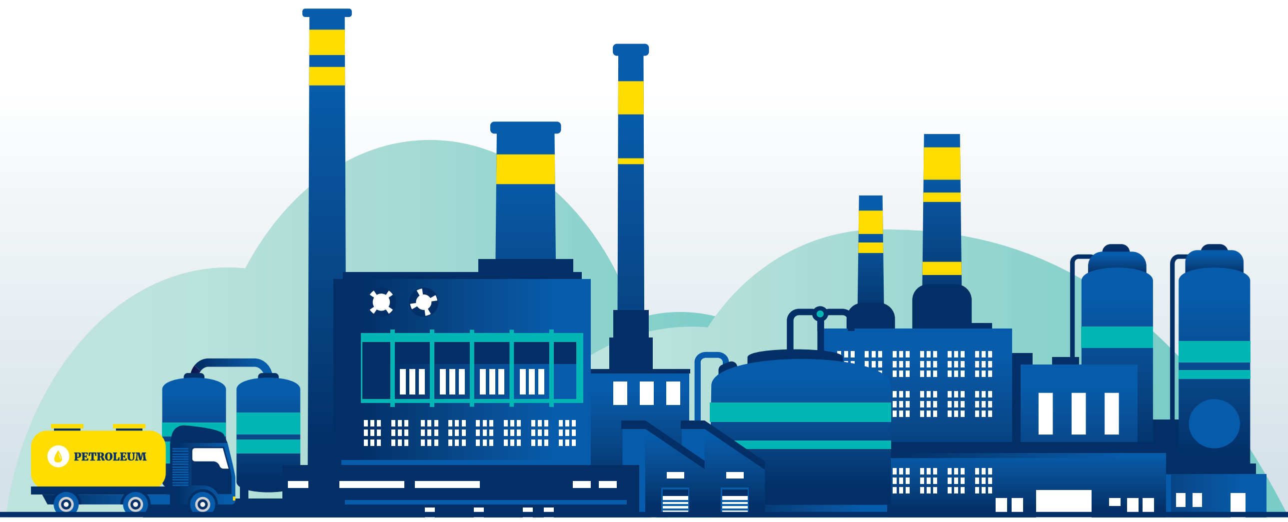
Yip Jian Lee

Malaysian
Aged 66, 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 and Remuneration Committee of the Company. She attended all six (6) Board meetings held in the financial year.

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, Asia General Asset Berhad and FWD Takaful Berhad.



Mohd Rizal Bahari Bin Md Noor

Malaysian
Aged 50, 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 Nomination and Remuneration Committee and a member of the Audit Committee and Risk Management Committee of the Company. He attended all six (6) Board meetings held in the financial year.

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. He does not hold directorships in any other public companies and listed issuers.

Wan Muhamad Hatta Bin Wan Mos

Malaysian
Aged 68, 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 as well as Nomination and Remuneration Committee of the Company. He attended all six (6) Board meetings held in the financial year.

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 of The Institute of Engineers Malaysia and also a member of 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. He does not hold directorships in any other public companies and listed issuers.

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 within 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 2021 other than for traffic offences (if any).*

Mohd Zamzuri Yusoff

Malaysian
Aged 46, Male

Chief Operating Officer

Mohd Zamzuri Yusoff is the Chief Operating Officer of Carimin. He graduated from University Technology of Malaysia with a Bachelor of Chemical Engineering (Major in Gas) in 1999. His first job in 1999 was as a Project Engineer in Right Gas Sdn. Bhd. focusing on onshore pipeline construction for Peninsular Gas Utilization loop line. Subsequently in 2005, he moved to Oil, Gas and Plant ("OGP") Technical Services, a subsidiary of PETRONAS as a Senior Mechanical/ Piping Engineer responsible for Procurement, Construction and Commissioning package for Miri Crude Oil Terminal Rejuvenation and Malaysia Liquefied Natural Gas 2 Debottlenecking project. He left OGP Technical Services and joined Kencana HL Sdn. Bhd. in 2008 as a Senior Project Engineer. In 2009, he left Kencana HL Sdn. Bhd. and joined Carimin Engineering Sdn. Bhd. as a Project Manager and was promoted to the position of General Manager in January 2017. In April 2021, he was appointed to the position of Chief Operating Officer.

Patrick Choong

Malaysian
Aged 46, Male

General Manager - Finance

Patrick Choong is the General Manager of Finance at Carimin. He graduated from Association of Chartered Certified Accountants (ACCA) and is a member of Malaysia Institute of Accountant (MIA).

He began his career in 1997 when he joined Hong Leong Management Co Sdn. Bhd. as Accounts Supervisor. Subsequently, he joined Bandaraya Developments Berhad as Accounts Supervisor in 1999 before moving to Road Builders (M) Holdings Berhad to take up the position as Group Assistant Accountant in 2002.

In 2005, he was offered an employment abroad with SPK-Bina Puri Joint Venture as Finance Manager in Abu Dhabi, United Arab Emirates. Following completion of the project, he joined Pembinaan SPK Sdn. Bhd., Abu Dhabi branch as Head of Finance and Accounts and continued his career there until 2012. Thereafter, in 2013, he joined Emas Kiara Industries Berhad (now known as MB World Group Berhad) as Group Financial Controller overseeing the corporate finance, finance reporting and operation. In 2016, he left Emas Kiara Industries Berhad and joined Carimin as Corporate Finance Manager and was later promoted to the position of Senior Manager of Corporate Finance in March 2019 and General Manager of Finance in June 2021.

Mazhar Bin Palil

Malaysian
Aged 59, Male

General Manager - Human Resource and Administration

Mazhar Bin Palil is the Manager of Human Resource and Administration Department of Carimin. He graduated from University of Malaya (UM) with Masters in Management.

He began his career in 1981 as Commissioning Officer with the Malaysian Armed Forces ("MAF") in various positions and fields of responsibilities for the operations of various size of organizations. His experience in the Armed Forces extended from domestic operation, joint operation with other countries to international assignment with the United Nation. He has served the MAF for 25 years before embarking his career into private sector.

In 2005, he started his career in private sector with Edaran Otomobil Nasional Berhad (EON) as Senior Executive for Health, Safety and Environment ("HSE") & Security. A year later, he joined Mewah Oil Groups Sdn. Bhd. (Manufacturing Industry) as Assistant Manager for HSE & Security for 2 years. His passion in managing human capital from his past MAF experience was put in practice when he joined Sankyu (M) Sdn. Bhd. ("Sankyu"), a logistic Company as Human Resource Manager for 2 years. He resigned from Sankyu in 2010 and joined Carimin as Human Resource and Administration Manager and was promoted to the position of General Manager – Human Resource and Administration in June 2021.

Annuar Bin Tumar

Malaysian
Aged 53, Male

General Manager, Project Management

Annuar Bin Tumar joined Carimin in February 2020 as General Manager for Projects. He is currently the Project Director for i-HUC Contract for Petronas Carigali Sdn Bhd which runs from January 2020 until December 2023. He completed his Bachelor of Science in Civil Engineering degree from Valparaiso University, Indiana, USA in 1991 and has 30 years of experience in upstream & downstream construction segment of oil & gas industry. His experience is primarily in project/construction management with the last 15 years being in senior management & leadership positions and has held various management positions including CEO, COO and Operations Director.

Muhammad Hatta Noah

Malaysian
Aged 54, Male

Senior Manager – Tender & Contract

Muhammad Hatta Noah is the Senior Manager of Tender & Contract at Carimin. He holds Bachelor of Science in Petroleum Engineering from Texas Tech University, Lubbock, Texas, United States of America in 1990. He has 30 years' experienced in oil & gas onshore construction, offshore installation, hook-up and commissioning, maintenance, drilling and Petrochemical plants construction type of supervision, coordination, project controls, planning, scheduling, cost estimate, budgeting, cost control, tendering and administering construction contracts. Experience working with a couple of multinational oil & gas producer under PETRONAS PSC environment. Working knowledge of oil & gas industry requirements such as offshore specifications, onshore fabrication contract provisions, service orders requirements and offshore safety passport system.

His first job in oil & gas commenced when he worked as Service Engineer with BJ Oilwell (M) Sdn. Bhd. in 1991. He joined Carimin in 1992 when he was seconded as Project Engineer in Titan Group for construction of Petrochemical and Polyethylene plants in Pasir Gudang, Johor. In 1994, he joined Dynac Sdn. Bhd. as Project Engineer and involved on onshore fabrication of major oil & gas platforms for ExxonMobil and Sarawak Shell at varies location of fabrication yards in Malaysia. In 1996, he rejoined Carimin and was seconded as Project Engineer with Esso Production Malaysia Inc for major construction of Seligi F, Raya A and Tapis E oil platforms. In 2001, he was seconded as Senior Engineer for PETRONAS Carigali Sdn. Bhd. and responsible in project control and planning for key development of West Natuna, Sumandak, Kinabalu projects. In 2008 he was redesignated as Supply Chain Management Manager and also supervising the tender & contract department and involved in major tendering, proposal submission and contract administration with multinational oil major clients. He was promoted as Manager, Tender and Contract Department in 2014 and as well headed the Manpower Division. He was appointed to the position of Senior Manager of Tender & Contract Department in June 2021.

Syed Kamil Syed Ibrahim

Malaysian
Aged 60, Male

Head – Corporate Compliance & Control

Syed Kamil Syed Ibrahim is the Head of Corporate Compliance & Control Department. He has an MBA from University of Southern Queensland, Australia (2005) and a Bachelor of Science in Electrical Engineering from Imperial College of Science & Technology, University of London, UK (1984). He has various academic and professional certifications including Compliance - Associate Australian Compliance Institute (ACI, now known as GRC Institute).

In 1984, Syed began his career in oil and gas with Esso Production Malaysia Inc as a Project Engineer in Development Projects Division, where he was exposed to many aspects of the industry. In 1988, he was transferred to Offshore Division in Kerteh, Terengganu as the Facilities Engineer in charge of Tapis D and Tapis Pumping which is a critical asset for pumping oil from the oil fields to the Terengganu Crude Oil Terminal (TCOT).

He left EPMI in 1990 and joined various consulting and engineering firms. He then served in companies within other sectors including Defense & Financial services.

In 2009, he joined Sime Darby Lockton Insurance Brokers Sdn. Bhd., a subsidiary of Sime Darby Bhd, as the Head of Compliance, QA, ESH and Risk. During that time, he was also active in the Malaysian Insurance & Takaful Broking Association (MITBA). Later he was transferred to Sime Darby's Group Compliance and the Group Corporate Assurance Department where he led the rolling out of Sime Darby's Control Self-Assessment (CSA) program Group-wide. He left the GLC in 2016 and was involved in freelance consulting and the real estate market.

In April 2021, he joined Carimin Group to assist in its Compliance and Risk Management functions.

Zhafri Bin Mokhtar

Malaysian
Aged 36, Male

Senior Manager - Corporate Strategy & Business Development

Zhafri Bin Mokhtar is the Senior Manager - Corporate Strategy & Business Development of Carimin. He graduated from Multimedia University (MMU) with a degree in Information Systems Engineering. With a starting career in 2008 in the IT Industry managing local scale Server Management & Integration for a Swiss based MNC specializing in sustainability together with Sime Darby Plantations Berhad. A year later in 2009 he joined a local IT company, Business Information Technology Sdn. Bhd. as a Project Executive and subsequently became a Project Manager spearheading multiple IT Security projects with various governmental and public organizations such as KeTTHA, MOE, MMEA, University Malaya, UITM.

In 2010, he began his career with T-Systems Sdn. Bhd., a Deutsche Telekom Group subsidiary as a Deployment Lead managing global deployment of IT infrastructure and services for Shell Upstream, working with his main counterparts in the Netherlands and Germany managing thousands of servers and complex IT infrastructure that are deployed worldwide as part of Shell's 5 billion Euros IT business operations and continuity plans. In 2014, he joined Carimin as Special Projects and Corporate Management Manager overseeing multiple Oil and Gas projects with some offshore experience as well as spearheading the Company's facility expansion and improvements.

Notes:-
1. *None of the Key Senior Management hold directorships in public companies and listed issuers.*
2. *None of the Key Senior Management personnel have any family relationships with any Directors and/or major shareholders of the Company, except En. Zhafri Bin Mokhtar who is the son of En. Mokhtar Bin Hashim, the Managing Director of the Company.*
3. *None of the Key Senior Management have any conflict of interests with the Company.*
4. *None of the Key Senior Management have been convicted of any offences (other than traffic offences, if any) within 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 2021.*

Roslan Bin Chik

Malaysian
Aged 55, Male

Manager, Yard

Roslan Bin Chik is the Fabrication and Yard Manager of Carimin. He graduated from University Technology of Malaysia with a Diploma in Petroleum Engineering in 1988.

He began his carrier in 1989 with Terengganu SCDC Fabrication Company, Permint Engineering as Yard Manager. In 1994, he joined Technip Project Construction as Piping Supervisor. Thereafter he joined third party inspection company Maghraby Moody as General/Welding/Mechanical Inspector / Expeditor and third party Surveyor in 1995. He was appointed as Piping and Mechanical Superintendent in 1996 by Oil, Gas and Plant Technical Services, a subsidiary of Petronas to serve in various onshore plant construction project both local and oversea until July 2006. Later in 2007 he was engaged with Petronas Gas Berhad, Technical & Facilities Development Div. as Technical Mechanical Inspector in Plant Rejuvenation and Revamp project until 2009. Subsequently he joined Carimin in 2009 as Operation Team Leader, Fabrication Superintendent and later promoted as Yard Manager in 2011.

Dear Valued Shareholders,

The financial year ended 30 June 2021 ("FY2021") saw Carimin Petroleum Berhad ("Carimin" or "the Group") navigating economic unpredictability and operational disruptions to deliver another resilient performance. While the ongoing COVID-19 pandemic-induced slowdown did affect the Group's performance, we nonetheless remained profitable. For FY2021, the Group registered a 5.1% hike in pre-tax profit despite a 55.8% decline in revenue. Although we were still able to continue with project activities under the maintenance, construction and modification ("MCM") contract for PETRONAS Carigali Sdn Bhd ("PCSB"), our performance was hindered when these work activities had to be deferred because of pandemic mitigation measures. As the stringent but necessary COVID-19 Standard Operating Procedures ("SOPs") were rolled out, this not only affected our ability to mobilise our resources but also forced us to reduce our operational capacity and efficiency.

In spite of these challenges, we focused our efforts on managing our level of debt funding and conserving our cash position – all of which has resulted in a healthy balance sheet for the Group. With a strong balance sheet and several ongoing projects in hand, particularly the ongoing MCM and Integrated Hook Up and Commissioning ("iHUC") contract (also undertaken for PCSB), we remain positive that the Group will be able to maintain a resilient performance moving forward.

RESILIENTLY NAVIGATING A DIFFICULT YEAR

In the first half of the year 2020, Carimin, like any oil and gas player, had to contend with the challenges brought on by the unprecedented blows of the COVID-19 pandemic and related national lockdowns as well as an oil price freefall. As lockdown measures were swiftly rolled out to mitigate the tide of the pandemic, the world's economies suffered with many coming to an abrupt standstill. At the same time, an oil price rout amidst a supply overhang inflicted further distress on an already struggling oil and gas industry. It was only in the second half of 2020 that oil prices began to stabilise and move upward. However, even then, price upsides were hindered by lower transport fuel demand as well as surplus supplies of oil idling in storage facilities on both land and sea.

Where the price of Brent Crude had dipped to approximately USD15 per barrel in March 2020, by the year's end it had rebounded to USD50 per barrel. By mid-2021, Brent Crude had risen to over USD76 per barrel. June 2021 was the first month that the price of Brent Crude averaged more than USD70 per barrel since May 2019. Following negotiations between the Organization of the Petroleum Exporting Countries ("OPEC") and its allies including Russia (known as OPEC+), on a new crude oil production agreement on 18 July 2021, the price of Brent crude oil fell 7% from the previous day to USD69 per barrel. It then went on to touch USD76 per barrel on 30 July. *(Source: https://www.macrotrends.net/2480/brent-crude-oil-prices-10-year-daily-chart and https://www.eia.gov/todayinenergy/detail.php?id=48956#]).*

On 28 September 2021, the price of Brent Crude topped USD80 per barrel for the first time in nearly three years. It then dipped to settle at the mid-USD70s per barrel even as a five-day rally ran out of steam and investors locked in profits. Since then, oil prices have been charging higher as economies recover from pandemic lockdowns and fuel demand picks up, while some producing countries have seen supply disruptions. At the same time, traders are expecting OPEC+ to keep supplies tight by sticking to an existing deal that will see it maintaining a deliberate approach of adding only 400,000 barrels per day ("bpd") to its output for November 2021 despite pressure from consumers for more supply. OPEC forecasts that oil demand will rise strongly in the next few years but it remains reluctant to raise its quotas. It has, however, warned that the world needs to keep investing in production to avert a crunch even as it transitions to cleaner forms of energy. Please turn to the Outlook and Prospects sub-section at the end of this Management Discussion and Analysis section for further industry insights. *(Source: https://www.thestar.com.my/business/business-news/2021/09/29/brent-oil-dips-after-topping-us80-a-barrel-highest-in-nearly-three-years and https://www.thestar.com.my/business/business-news/2021/09/30/oil-prices-slip-as-us-inventories-rise).*

OUR BUSINESS AND STRATEGIES FOR GROWTH

Today, the Group continues to bolster its position as a resilient Malaysian oil and gas company that is providing technical and engineering support services to upstream oil majors through its core competencies in four different business segments. Three of these segments encompass oil and gas activities, namely in the Construction, Hook Up and Commissioning as well as Topside Major Maintenance ("CHUCTMM") segment; the Manpower Services ("MPS") segment; and the Marine Services ("MS") segment; while the fourth core competency revolves around activities in the Civil Construction ("CC") segment. The Group's balance sheet remains healthy, and we continue to steadfastly, but prudently, explore opportunities to expand and invest in new synergistic businesses.

To ensure the CHUCTMM division maintains its competitive advantage, we will continue to explore opportunities in underwater works, decommissioning services, associated well plugging and abandonment activities, as well as late-life asset management. With many oil and gas assets operating for more than 40 years, domestic decommissioning presents an interesting growth opportunity that is only expected to intensify with the passage of time. As PETRONAS reviews the requirements within this segment, the Group is working on augmenting its decommissioning capability and has collaborated with international companies including Emas Energy Services (Thailand) Ltd and DOF Subsea Asia Pacific Pte Ltd to make the most of opportunities in this segment.

Meanwhile, the MPS division continues to set its sights on the provision of technical and professional expertise to both the upstream and downstream sectors. At the same time, it is looking to strengthen its capabilities on the specialised consultancy, training and placement services fronts.

The Group's MS division continues to support the Group's CHUCTMM projects and provide vessel charter services for the regional market. The division is also actively pursuing subsea underwater inspections, repair and maintenance ("IRM") services that typically encompass platform and pipeline inspections, structural integrity checks, and debris clearance activities. While the medium-term outlook for Carimin Subsea Sdn. Bhd ("Carimin Subsea") has been challenging, given the deferment of offshore work activities, we managed to secure a contract for the provision of an environmental baseline study from Total E&P Malaysia in FY2021.

While the Group strives to strengthen its revenue base amidst pandemic-induced challenges, it also continues to expand its core business to adjacent areas, implement strategies to strengthen operational efficiencies, reduce business risks, preserve business sustainability and protect shareholders' interests. As the world moves forward into the new normal and the energy transition evolution, Carimin too is looking to embrace a lower carbon future by exploring new technologies and renewable energy opportunities that may include new businesses beyond our oil and gas portfolio.

OUR FINANCIAL PERFORMANCE IN FY2021

Overview

Carimin delivered a resilient performance in FY2021 posting a profit after tax ("PAT") of RM13.3 million and revenue of RM165.3 million. While the Group's PAT rose by 14.9% or RM1.7 million from RM11.6 million previously, we registered a 55.8% or RM208.6 million decline in revenue from the RM373.8 million garnered in the preceding year. The lower revenue was primarily due to the restrictions that we had to contend with over the course of the various Movement Control Orders ("MCOs") enforced by the Malaysian Government to mitigate the effects of the pandemic.

These operational restrictions led to the deferment of the Group's onshore and offshore activities for the financial year which in turn greatly affected the Group's primary revenue contributing business segment, namely the CHUCTMM division. Contributing approximately 59% of the Group's total revenue in FY2021, the CHUCTMM division recorded a 60.7% or RM151.1 million decline in revenue to RM97.6 million from RM248.7 million in FY2020. The division's lower performance was primarily due to the slowdown in offshore activities for two of its major contracts, as well as the necessary implementation of additional measures to ensure that all offshore facilities and operations were managed in strict compliance with COVID-19 SOPs. The division also went out of its way to ensure that measures to manage workers' emotional wellbeing and stress during the lockdown were rolled-out effectively.

Similarly, the Group's second highest revenue contributor, the Marine Services or MS division registered a 48.8% or RM37.5 million decrease in its revenue to RM39.3 million in FY2021 from RM76.8 million previously. The MS division's financial performance was also impacted by the scheduled dry-docking of our AWB during the year in review. The MS division contributed 23.8% of the Group's total revenue in FY2021.

The financial year in review also saw the Group's Manpower Services or MPS division registering a 39.7% or RM18.5 million decline in revenue from RM46.6 million to RM28.1 million. Meanwhile, the Civil Construction or CC division reported an 82.4% or RM1.4 million decline in revenue from RM1.7 million to RM0.30 million in FY2021 due to the division's inability to operate as it was not considered an essential services provider.

Despite a lower revenue in FY2021, the Group remains resilient moving forward. Our subsidiaries' ability to generate revenue amidst a challenging operating environment bodes well for the Group as we progress.

Liquidity and Capital resources

As at the end of FY2021, the Group's cash and cash equivalents amounted to RM127.67 million of which RM30.71 million was placed in fixed deposits as security for the bank facilities granted to the Group. This amount reflected a marginal 1.9% or a RM2.54 million decrease from the RM130.21 million registered as at the end of FY2020. During the year under review, RM10.2 million was utilised for term-loan financing of vessels, whereas RM2.3 million was utilised to partly finance the operational activities relating to dry docking and the purchase of tools and equipment. Other major outflows for FY2021 included the payment of dividends to shareholders totalling RM1.2 million.

Gearing Ratio

As at the end of FY2021, the Group's gearing ratio dropped to 0.18 from 0.26 times as at the end of FY2020. Meanwhile, our total equity amounted to RM175.7 million (FY2020: RM163.4 million), whereas our net cash position stood at RM96.9 million (FY2020: RM101.3 million). During the financial year the Group accepted an Islamic Term Loan Facility of RM10 million to partly finance the development of a fabrication yard at Teluk Kalung, Kemaman, Terengganu which has just commenced. Furthermore, the Group opted to take up the six-month loan repayment moratorium that was offered for both of the Group's vessels during the financial year in review. This was done to alleviate some of the financial burden caused by operational constraints imposed by the lockdowns.

Capital Management, Future Commitments and Funding Sources

Over the course of the financial year in review, Carimin obtained approval from Bursa Malaysia Securities Berhad ("Bursa Securities") to issue up to 46,775,600 Placement Shares (or 20%) in accordance with the Group's Proposed Private Placement for acquisition of assets and working capital purposes.

The Group's new Teluk Kalung Yard, which will comprise an office building, warehouses and various workshops for open fabrication, equipment storage, blasting and painting, is currently under construction. Upon its completion, the integrated facility will complement the Group's existing two-acre fabrication yard as well as expand our capacity to manage larger projects and multiple contracts. The project is expected to be completed by June 2023.

OUR FINANCIAL PERFORMANCE IN FY2021 (CONT'D)

Dividend Payments

Carimin remains committed to rewarding our shareholders. In respect of the financial year ended 30 June 2021, the Board of Directors approved two interim dividends to reward shareholders for their continued confidence in the Group. On 26 November 2020, the Board declared the payment of a first interim single-tier dividend of 0.5 sen per ordinary share amounting to RM1,169,390 which was paid out to shareholders on 12 January 2021. On 13 September 2021, the Board declared the payment of a second interim dividend of 0.5 sen per ordinary share amounting to RM1,169,390 which was paid out to shareholders on 28 October 2021.

Trends and Events that May Materially Affect Carimin's Business

Given the stabilisation of oil prices, the reopening of the economy following Malaysia's success in achieving herd immunity, and potential increase in spending by oil majors in 2022, we are optimistic of the positive impact that these developments will have on Carimin's businesses.

Whilst offshore activities under the MCM were limited due to prolonged MCO restrictions, the Group's iHUC contract under the SKG gas package remains active and we anticipate a gradual increase and higher demand for work orders for both areas. To date, the Company has received work orders in excess of RM150 million since the award of the contract to us in 2020.

Additionally, we anticipate that the iHUC current contract will keep our wholly owned vessels occupied. All these developments will contribute positively to the Group.

BUSINESS SEGMENT PERFORMANCE OVERVIEW

CHUCTMM

Carimin's CHUCTMM Division is helmed by Group subsidiary, Carimin Engineering Services Sdn Bhd or CESSB. With its wide range of services and various revenue streams, CESSB continues to maintain its position as the most significant contributor to the Group's total revenue. Aside from CHUCTMM activities, CESSB also offers its clients Engineering, Procurement, Construction, Installation & Commissioning (EPCIC), Rejuvenation, Decommissioning, Plug and Abandonment, as well as major blasting and painting services at its fabrication yards.

For the year in review, the division saw a decline in operational activities largely due to the delayed resumption of offshore activities. Although considered an essential services provider, CESSB faced restrictions in mobilising its offshore crews and vessels due to having to comply with stringent COVID-19 SOPs including the standard 14-day quarantine as well as swab tests, among other SOPs. Additionally, the closure of government departments further delayed the issuance of work permits. All these necessary measures to mitigate the effect of the pandemic meant that mobilisation had to be deferred which in turn impacted the division's performance. Despite these ongoing challenges, CESSB continued to make headway over the course of the year through wins such as the contract extension secured from Sea Hibiscus Sdn Bhd for the provision of mechanical and piping maintenance services for the Labuan Crude Oil Terminal ("LCOT") for a duration of two years.

Moving forward, CESSB will continue to actively explore more business opportunities, leveraging on its expertise and capabilities. With contracts in hand, including the MCM, iHUC (Package C: SKG), the Flowline and Piping Repair for Carigali-PTTEPI Operating Company Sdn. Bhd. (CPOC); as well as the extension contract from Sea Hibiscus, we are confident of maintaining our momentum over the next few years. The Group is also well positioned to take on sizeable facilities improvement projects (FIP) contracts should these arise given our expertise and track record in this area.

Marine Services ("MS")

The Group's MS division provides marine support services to the Malaysian oil and gas industry by leveraging on its three vessels. Two of these vessels – the Carimin Airis, an anchor handling tug supply ("AHTS") vessel, and the Carimin Acacia, a dynamic positioning 2 accommodation work boat ("DP2 AWB") – are wholly owned; while another AWB vessel, the SK Deep Sea, is co-owned via a 15% equity stake in Synergy Kenyalang Offshore Sdn. Bhd. Over the years, the MS division has accumulated ship management experience as well as a competitive edge and the technical capabilities that enable it to bid for larger marine support service contracts.

BUSINESS SEGMENT PERFORMANCE OVERVIEW (CONT'D)

Marine Services ("MS") (Cont'd)

In FY2021, the division took advantage of the slowdown in the oil and gas industry to drydock and perform major maintenance works on its wholly owned vessels. While the undertaking proved to be a significant expense, the proactive maintenance of these vessels will help to ensure the long-term sustainability of the MS business. As part of our cost management strategy to improve margins, the division has started its own inhouse catering initiative for its owned and chartered offshore vessels. This is part of the Group's aim to offset additional expenses and increase cost efficiencies within its operations.

Over the course of the year, the division went on to secure the following contracts:

No.	Client	Contract Title
1.	PTTEP Sarawak Oil Limited	Provision of one self-propelled AWB for 150 pax for a Sarawak turn around
2.	PETRONAS Carigali Sdn Bhd	Provision of AHTS
3.	PETRONAS Carigali Sdn Bhd	Provision of AWB
4.	Total E&P Malaysia	Provision of an Environmental Baseline Study

Being one of the leading CHUCTMM service providers, the MS division will continue to conduct cost optimisation, provide ship management and maintenance services, as well as undertake vessel charters locally and regionally. To further strengthen its capacity to serve the CHUCTMM segment, the MS division is actively setting out to secure more contracts with third-party vessels. This move is part of the Group's plan to expand the reach of its vessel charter services within the region. The MS division has sufficient capacity to make the most of any upturn in the CHUCTMM segment. With the Malaysian economy recovering and the price of oil on the uptrend, Carimin anticipates that the demand for marine support services will increase. Furthermore, the offshore catering services will also be made available for other offshore facilities thus providing another revenue base.

Manpower Services ("MPS")

Carimin Sdn Bhd ("CSB") is responsible for the Group's MPS division. The MPS division is tasked with providing highly-skilled personnel workers, including expertise consultants, who have been trained to specifically service the various needs of the Oil & Gas majors. As with most of the industry, the Group's MPS division experienced a significant slowdown in its business due to having to operate at restricted capacity. Although contracts and timelines were deferred, the division managed to secure several contracts for the provision of manpower from Hess Exploration and Malaysia B.V. over the course of the year:

Given the balance of existing orders and potential new contracts, the MPS division expects to maintain the current level of revenue for the coming financial year. The division will look to participate in more tenders and expand its provision of technical and professional services to include consultancy and training services.

Civil Construction ("CC")

Carimin's CC arm comes under the ambit of Carimin Bina Sdn Bhd ("CBSB"). While the unit has had a good track record of delivering a respectable performance over the past few years, the pandemic has greatly affected the division's operational capacity since early 2020. As the CC division's offering does not fall under the essential services category, the division was unable to operate for most of FY2021 due to temporarily cease work activities under the MCO. This has also affected CBSB's ability to bid for new contracts.

As the Malaysian economy gradually recovers, the division is actively poised to play an active role in bidding for new projects and will focus its efforts on areas that it has a niche expertise in.

BUSINESS RISKS AND MITIGATION STRATEGIES

As part of our commitment to operating in a responsible and sustainable manner, Carimin remains vigilant and acknowledges the various risks that may exert a material effect on our operations, performance, financial condition and liquidity. To mitigate these risks, we have put in place various mitigation strategies to address the high-level risks that are most pertinent to our businesses. As per Bursa Securities' requirements, these strategies are disclosed as follows:

Risk Rating: High			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
External Risk	Adverse conditions in the global oil and gas industry.	• A slowdown in project tenders/ offers. • Uncertain revenue as the award of work orders slows down. • Reduced operational expenditure ("OPEX") and capital expenditure ("CAPEX") by clients.	• Facilitate regular engagement with clients to discuss upcoming projects/work orders and their commitment. • Increase the client base and explore other opportunities. • Ensure that Carimin remains competitive for future tender bids. • Incorporate more innovative approaches in our operations to enhance our competitive edge. • Stay abreast of the oil and gas production and supply/demand situation. • Diversify into other segments within the industry to reduce over-reliance on a single segment. • Reduce OPEX and CAPEX; restructure loans and improve cash flow management. • Ensure that term contracts are in place (MCM till 2023 and iHUC till 2024). • Undertake diversification to leverage out the industry risk. • Establish a business plan indicating the Group's direction (five-year plan).
	Adverse competition from existing competitors.	• Loss of business. • Loss of market share. • Lower margins and profits.	• Retain and employ a qualified and competent team to deliver high-quality performance. • Ensure close rapport and healthy relationships with clients. • Provide competitive rates to clients. • Explore and invest in new technologies. • Provide better facilities, equipment and higher specifications (e.g., in relation to the Group's marine vessels). • Conduct reviews on the strength of our competitors (know your competitor). • Conduct review of business plans and enhance business development activities.

BUSINESS RISKS AND MITIGATION STRATEGIES (CONT'D)

Risk Rating: High			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
Financial Risk	Inadequate budgetary control and monitoring.	• In excess of budgeted expenditure/reduced profits. • Impact on cash flow management. • Delays in project delivery. • Exposure to Liquidated and Ascertained Damages ("LAD").	• To include the project management team ("PMT") in budget cost control meetings with the purpose of highlighting various shortcomings and to garner their feedback. • Ensure that necessary remedial actions are undertaken to address variances. • Ensure strict adherence to SOPs)/ Financial Authority Limit ("FAL") practices. • Provide proper budget and project closeout reports. • Divisional budget to be prepared and consolidated for Board / Management approval and to be used thereafter as a yardstick for cost control.
Operational Risk	Delays in project completion.	• Company's reputation is affected. • Forced to pay fines for delays (LAD). • Potential legal action by client. • Increase in project costs. • Poor brand reputation affecting tendering process. • Opportunity cost (longer time required to complete existing projects due to the pandemic, social distancing SOPs). • Failure to ascertain prolongation cost and claim accordingly.	• Closely monitor projects. • Ensure the PMT is involved in early engagement sessions with the client during the design stage. • Project team and client to meet regularly to keep up-to-date on project status. • Site planner to provide frequent updates. • Any project issues to be dealt with immediately. • Communicate with client on any delays in the delivery timeline due to supply shortages or logistic issues. • SOPs to be developed to ensure Extensions of Time ("EOTs") are being applied accordingly. • Project Management Team to monitor EOT application (with / without cost impact). • Close liaison with the client. • Ensure the proper filing of all documentation such as project minutes, site meeting notes, and email correspondence relating to delays, etc. • Organise weekly management meetings to discuss, plan and provide updates on project progress. • Project planning approval to be based on financial, equipment and manpower availability.

BUSINESS RISKS AND MITIGATION STRATEGIES (CONT'D)

Risk Rating: High			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
	Pandemic risk	• Cessation of operations due to loss of personnel. • Loss of work. • Financial losses.	• Adhere to Ministry of Health ("MOH") guidelines. • Issue SOPs based on MOH guidelines. • Issue emails/bulletins to raise awareness and prevent/detect measures pertaining to the pandemic. • Ensure provision of healthcare equipment. • Include additional clauses in project proposals that protect the Company from any pandemic related costs included in the said proposal.
Customer Risk	Obligation to fulfil contracted rates during the low oil price environment.	• Financial impact. • Higher costs from vendors/ suppliers. • Potential losses. • Unable to deliver on the project.	• Bulk orders to reduce the cost • Long-term price agreements with vendors. • Renegotiate terms of contracts • Conduct direct negotiations with vendors. • Encourage multi-tasking.
Suppliers Risk	Delivery not meeting customer requirements.	• Additional costs incurred for replacement of products. • Loss in profit margin. • Company reputation and performance is affected. • Delay in project completion due to poor quality supplier, sub-contractor selection and supplies. • Integrity risk.	• Source from recognised countries/ established manufacturers. • Conduct factory inspection and expediting at source. • Conduct receiving inspection expeditiously. • Appoint competent procurement personnel in relation to technical bid evaluation. • Ensure procurement procedures are in place. • Purchase requestor to provide input and feedback on items to be purchased. • Specific supplier performance evaluation to be conducted annually and/or on a project basis. • Existing SOPs to be adhered to strictly. • Conduct regular meetings and audit amongst procurement and the PMT (documented). • Monthly report by procurement team on MSR status. • Organise meeting together with customers and suppliers to discuss delivery/purchase status.

OUR COMMITMENT TO RESPONSIBLE CORPORATE PRACTICES

As a conscientious industry player, Carimin acknowledges that strong ethical practices that are supported by high standards of professionalism are essential for the sustainability of our business. To put it simply, good governance translates into good business. As such, we continue to subscribe to the best corporate governance and risk management practices and implement them across our organisation. To date, we have begun implementing measures that are aligned with the updated Malaysian Code on Corporate Governance 2021 ("the Code").

Over the course of FY2021, we sought to further strengthen the Group's Corporate Governance framework by establishing a Compliance & Control Department. This department is helmed by our newly appointed Corporate Compliance Officer who is well versed in industry-related compliance matters. Under his stewardship, the department has reviewed and updated the Group's policies and procedures as well as developed a legal register for compliance purposes. The department is also initiating the development and implementation of several compliance and risk management programmes as follow-up measures to support the abovementioned developments. All these are set to optimise the Group's operations and create value throughout the Group.

The year in review saw Carimin engaged not only in reviewing and improving our SOPs but also strengthening the management of our whistle-blowing initiatives. For more details of these activities, please turn to the Corporate Governance Overview Statement on pages 47 to 62 of this Annual Report.

By way of upholding long-term sustainability, the Group continues to align its sustainability efforts with Bursa's Securities' sustainability guidelines. These efforts are governed by our Sustainability Committee ("SC") who are responsible for overseeing and reporting on the Group's progress as we continue to move towards building a sustainable future. For more in-depth insights of our sustainability activities, please refer to our Sustainability Statement on pages 29 to 44 of this Annual Report.

OUTLOOK AND PROSPECTS (FY2022 AND BEYOND)

In August 2021, the central bank, Bank Negara Malaysia ("BNM"), revised its full-year gross domestic product ("GDP") growth forecast for Malaysia downwards to between 3% and 4% for 2021 from its earlier forecast of between 6% and 7.5%. With 7.1% growth recorded in the first half of 2021, and given the COVID-19-related developments from June 2021 onwards, BNM at that time decided it was prudent to look at more moderate growth for the second half of the year. It also identified several factors that would support this growth. These included essential economic sectors being allowed to operate under Phase 1 of the National Recovery Plan, improved external demand, rapid vaccination progress, continuous policy support via the various stimulus programmes, as well as continued investment in large infrastructure projects. *(Source: https://www.theedgemarkets.com/article/bnm-revises-down-malaysia-gdp-forecast-range-between-3-and-4-2021).*

In line with BNM's GDP forecast, the World Bank, in late September 2021, further reduced its economic growth projection for Malaysia to 3.3% in 2021 from its earlier estimate of 4.5% (in June 2021). The World Bank attributed the latest downward revision to the country's ongoing MCOs, higher precautionary behaviour, and subdued labour market conditions – all of which are expected to weigh further on private consumption and overall economic growth. According to the World Bank, its downward economic outlook revision for the nation for 2021 reflects the hard truth that the pandemic has been in charge for most of the year, leading to more severe movement restrictions in Malaysia. Still, there have been silver linings such as digitalisation having taken off in a major way, while the country's external environment too has been quite supportive of the export sector. The bank also expects the external sector to continue to provide support to the economy, namely in its export of E&E goods and medical rubber gloves, amid moderated momentum given the resurgence of COVID-19 in advanced economies and China.

On a more positive note, the World Bank predicts that the Malaysian economy's downward trend is expected to recover in 2022 and continue to improve in 2023. To this end, the World Bank has raised its 2022 GDP growth forecast for Malaysia from 4.2% to 5.8% in anticipation of a stronger recovery as corrections kick in. At the same time, it predicts a 4.5% growth rate for 2023. *(Source: https://www.theedgemarkets.com/article/world-bank-cuts-growth-forecast-malaysia-33-2021).*

OUTLOOK AND PROSPECTS (FY2022 AND BEYOND) (CONT'D)

Today, the global oil and gas industry faces headwinds on several fronts. China, the world's biggest energy consumer, is experiencing a power crunch. Recent power rationing to industries in China to mitigate emissions could weigh on economic activity, potentially offsetting the tailwind from incremental diesel use in power generation. Investors are also anxious that contagion from a Chinese housing bubble could hit its economy and therefore demand for oil. China is today the world's top oil importer and the second-biggest consumer of fossil fuel after the US.

Another issue stems from the fact that several members of the OPEC+ group of producers cut output during the pandemic and have been having trouble ramping up to meet recovering demand. Top African oil exporters Nigeria and Angola for instance are expected to struggle until at least 2022 to boost output to quotas set by OPEC due to underinvestment and maintenance problems. Meanwhile US production has been impaired by Hurricanes Ida and Nicholas, which swept through the US Gulf of Mexico in August and September, damaging platforms, pipelines and processing hubs. In fact, production in the US has failed to recapture the levels seen at the end of 2019, when output rose to almost 13 million bpd. Shale output has been slow to rebound, tightening global supply as OPEC too has decided not to raise its production quotas. In short, while production is coming back, it is not where it needs to be. (*Source: https://www.thestar.com.my/business/business-news/2021/09/29/brent-oil-dips-after-topping-us80-a-barrel-highest-in-nearly-three-years and https://www.thestar.com.my/business/business-news/2021/09/30/oil-prices-slip-as-us-inventories-rise).*

On the domestic front, rising global oil prices amidst increasing COVID-19 vaccination rates and anticipated higher world economic growth rates in 2022 are brightening the outlook for Malaysia's oil and gas sector. According to OPEC's latest monthly oil market report, world oil demand is projected to hit 100.8 million bpd in 2022, exceeding pre-pandemic levels. In comparison, global oil demand in 2021 is projected to average 96.7 million bpd. As the rate of vaccinations increases, the pandemic is expected to be better managed and economic activities and mobility are expected to return to pre-pandemic levels. In turn, steady economic developments are expected to support the partially delayed recovery in oil demand in various sectors.

According to OPEC, global oil demand in the third quarter of 2021 has proved to be resilient, supported by rising mobility and travelling activities, particularly among the Organisation for Economic Co-operation and Development ("OECD") nations. However, global oil demand for the second half of 2021 has been adjusted slightly lower, partially delaying the oil demand recovery into the first half of 2022 due to the increased risk of COVID-19 cases primarily fuelled by the Delta variant. This has clouded oil demand prospects going into the final quarter of the year and resulting in downward adjustments to fourth quarter 2021 estimates.

Some analysts are maintaining their 2021 to 2022 oil price projection at US$65 to US$70 per barrel as Brent crude oil prices have recovered above US$70 per barrel currently after falling to US$65 per barrel on 20 August 2021 on concerns that the COVID-19 Delta variant could dampen global demand.

For the first half of 2021, PETRONAS' CAPEX decreased by 14% year-on-year to RM12.7 billion mainly due to project delays and the rephasing of activities caused by movement restriction orders. This had an impact on the order flows of oil and gas operators which saw awards in the second quarter of 2021 decrease 33% quarter-on-quarter to RM2.2 billion. While PETRONAS plans to spend 55% of the annual CAPEX allocation on domestic investments, with the remainder on international investments, the national oil company's spend in the first half of 2021 was below its initial target.

OUTLOOK AND PROSPECTS (FY2022 AND BEYOND) (CONT'D)

Currently, the recovering oil and gas industry favours companies with exposure to the downstream and tanker businesses. However, the upstream service provider sub-segment (in which Carimin operates) is showing early signs of recovery too. Analysts believe the fundamentals are turning positive, with higher oil prices, stronger commitment from OPEC+ to keep oil prices afloat, higher impending CAPEX from PETRONAS in the second half of 2021 (although not at pre-pandemic levels), the timeline of vaccine rollouts, and the strong economic recovery from China, the United States and Europe.

PETRONAS is expected to elevate its CAPEX spending in the second half of 2021 as its financial performance has improved significantly, and this is expected to benefit most oil and gas services companies in Malaysia. While upstream is still the largest area of investment for PETRONAS, it will likely divert some of its investments into the renewable energy sectors in its effort to keep up with current energy transition trends. *(Source: https://www.thestar.com.my/business/business-news/2021/09/18/brighter-outlook-for-malaysias-oil-and-gas-sector).*

Today, the world is undergoing an energy transition driven by climate change. This has accelerated the shift of energy sources from fossil-based to renewables. While fossil fuel remains core to the global energy mix, players like PETRONAS are redefining their energy offerings by pushing for the increased use of natural gas as a cleaner source of fuel in the energy transition while building capabilities in renewable energy for the security and sustainability of supply. In tandem with this, PETRONAS is encouraging Oil and Gas Services and Equipment or OGSE industry players to step out and explore opportunities and creative partnerships in New Energy for diversification. In line with this, Carimin will consider such opportunities to collaborate with the national oil and gas company and other industry players as we move towards a low-carbon future. *(Source: https://www.petronas.com/sites/default/files/PAO/PETRONAS-Activity-Outlook-2021-2023.pdf).*

As of the fourth quarter of 2021, herd immunity had set in nicely on the back of the good progress of Malaysia's National Immunisation Programme ("NIP") and many sectors of the Malaysian economy have resumed operations. On Carimin's end, we are confident that situations will improved and get better with the projects we have in hand. We also remain optimistic that as demand for oil increases globally once again coupled with the upward trend in oil prices, oil and gas industry activities will get back on track.

Moving forward into FY2022, Carimin is confident of maintaining its profitability as the Group will continue to realise revenues from its MCM and iHUC projects as well as from its other divisions when normal operations resume. The outlook looks promising for us. Our Management Team and staff have proven their strength and tenacity by way of working under volatile market conditions and will focus its efforts on boosting its core competencies. We have a proven record of accomplishment in handling multiple jobs simultaneously and will proactively set our sights on pursuing new opportunities.

We will continue to assess our assets, strengthen our operational efficiencies and implement cost-cutting strategies to ensure long-term sustainable growth whilst, exploring new business opportunities for expansion and sustainability. The Board and the Management of Carimin remain optimistic about the outlook and the Group's prospects for FY2022.

IN APPRECIATION

The Board and the Management of Carimin wish to convey their heartfelt thanks to all parties who have played a part in supporting the Group amidst another challenging year. Our sincere appreciation goes to our valued shareholders, customers and business partners for their unwavering trust and confidence in us. We also wish to express our utmost gratitude to our dedicated and diligent employees who demonstrated perseverance, professionalism and a strong commitment to excellence amidst the year's challenges.

We wish to acknowledge and thank the contributions of En. Shatar Bin Abdul Hamid who retired as Chief Operating Officer and resigned as an Executive Director in April 2021.

We are all saddened by the demise of the late En. Abd Hamid Husin, our General Manager for Project Services, who passed away in August 2021. Our heartfelt condolences to his family for their loss.

As Carimin progresses into a new financial year, we are determined to make the most of all opportunities before us and rise above all challenges that may come our way. Hence, we call upon our stakeholders to continue lending us their steadfast support as we set our sights on delivering a resilient performance and keeping our people safe amidst the pandemic.

At Carimin Group of Companies ("Carimin" or "the Group"), we view sustainability as a strategic approach and an opportunity to add value to our business through the way we operate. The integration of sustainable practices into our operations has and would continue to be an integral part of our business agenda. We believe that espousing sustainability across the organisation will result in operational efficiency, long-term growth and create positive value for all our stakeholders. Our commitment is to initiate actions that will drive the responsible management of Economic, Environmental and Social ("EES") sustainability.

Over the past two years, the world has experienced unimaginable hardships and losses due to the COVID-19 pandemic. Since the outbreak, our team has demonstrated resiliency, flexibility and dedication. Despite the unprecedented challenges brought about by the pandemic, we have remained resolute in our mission to invest in the communities where we operate, nurture our employees, fulfil our customers' needs and manage our supply chain.

ECONOMY:
To boost our national and local economy and sustain market leadership in providing technical, engineering and support services within the oil and gas ("O & G") industry

ENVIRONMENT:
To adhere to all pertinent environmental regulations and promote environmental protection

SOCIETY:
To foster long-term and meaningful relationships with our stakeholders, provide a healthy and safe workplace, grow with our business partners, contribute to the welfare of our community and serve our clients to the best of our ability

GOVERNANCE:
To demonstrate leadership and maintain trust through strong governance practices

Core Values

We believe that putting our values into practice will create long-term benefits for both shareholders and stakeholders.

- To take responsibility, accountability, ownership for work quality and accomplishments.
- To deliver customer satisfaction and identify improvements in our operations.
- To act with integrity, honest, transparent and confidentiality entrusted.
- To value and respect each other.

ABOUT THIS STATEMENT

This Sustainability Statement conveys the initiatives that have been undertaken by the Group, as well as our progress in implementing these actions, to demonstrate our commitment for adopting the best practices in sustainability.

Scope and Boundary:
This statement covers the entire operations of the Group as well as the entities where the Group holds a controlling interest or management control.

Reporting Period:
The reporting period spans from 1 July 2020 to 30 June 2021. Historical information collected from previous years is included to illustrate comparative data and trends.

Report Cycle:
One (1) year, coinciding with our Annual Report

Reporting Standards:
o Principal Guideline: Bursa Malaysia Sustainability Reporting Guide (2nd Edition)
o Reference Guideline: Global Reporting Initiative ("GRI") Standards (Core option)

Feedback:
We welcome your feedback: biz@carimin.com

MATERIALITY MATTERS

We perform materiality assessments to determine the Group's key sustainability focus areas and to ensure that the identified sustainability issues reflect the current status of our business.

Materiality Assessment and Review

In a meeting attended by the senior management and Heads of Department ("HODs"), we reassessed our sustainability matters based on the following process:

Identification > Prioritisation > Stakeholder Engagement > Validation & Approval

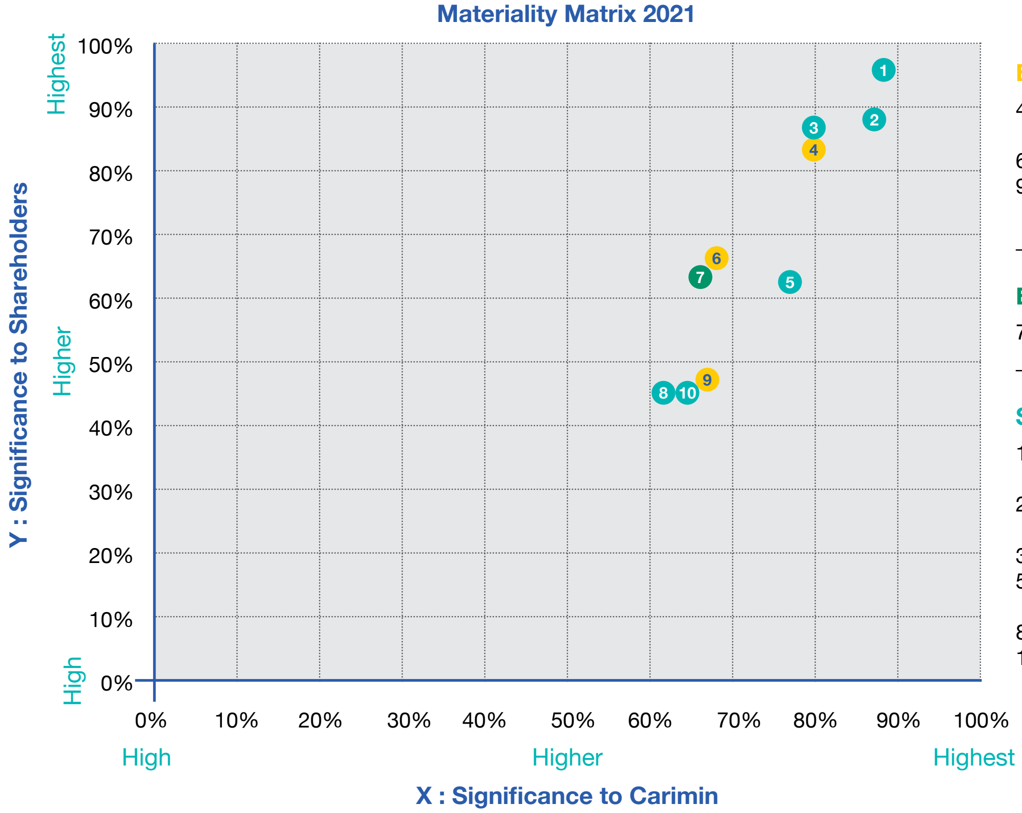
The most notable stakeholders were identified, and the material EES sustainability themes were ranked according to their significance. At the same time, our stakeholders were requested to score the themes according to their perceived importance to ensure that their views are taken into account. The results were plotted on a matrix to display their relative importance. The result was passed on to the Sustainability Committee ("SC") for feedback, confirmation and validation.

This report focuses on the issues that are presently deemed most significant by our stakeholders. We conduct a materiality assessment every year to make sure that any changes in our business and the external environment are reflected accurately.

Materiality Matrix

The diagram below depicts the results of our materiality assessment. The issues ranked in the upper right-hand quadrant are those that are considered most significant by both the Group and the stakeholders. Our materiality assessment identified ten (10) material EES issues. The top four (4) priority aspects are Governance, Ethics and Compliance; Occupational Health and Safety; Customer Satisfaction; and Business Strategy and Performance, which are closely linked to the core nature of our business. We have replaced Cybersecurity with Digitalisation and Automation, and Employee Diversity with Employee Welfare, as these issues are gaining more relevance particularly because of the pandemic. Our activities do not significantly impact the community as we do not operate in highly populated areas.

Materiality Matrix 2021



ECONOMIC

4. Business Strategy and Performance
6. Supply Chain
9. Digitalisation and Automation

ENVIRONMENT

7. Environmental Protection

SOCIAL

1. Governance, Ethics and Compliance
2. Occupational Health and Safety
3. Customer Satisfaction
5. Talent Retention and Development
8. Employee Welfare
10. Community Engagement

STAKEHOLDER MATTERS

Each stakeholder group exerts a different level of influence and impact on our operations. Some stakeholders are critical to our business strategy and are part of our growth and sustainability efforts. Nevertheless, we maintain dialogue and engage with all of our stakeholders in various ways throughout the year to understand and attempt to meet valid and reasonable expectations promptly.

The table below shows the stakeholders that we engage with, their concerns, our responses and the mode and channels of engagements.

Stakeholder Groups	Concerns	Response	Engagement Channels
Shareholders/ Investors	- Fiduciary Duties - Ethics & Transparency - Timely Information Disclosure - Economic Performance	- Good Governance Best Practices - Bursa Compliance - Business Strategy	- Website information update - Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") - Financial updates
Bankers	- Business Strategy & Economic Performance	- Strategic Capital Management & Financial Management	- Meetings - Annual reviews
Employees	- Health & Safety - Career Development - Job Security - Remuneration & Benefits	- Occupational Safety and Health Act ("OSHA") 1994 Compliance - Education & Training - Succession Planning - Pandemic Standard Operating Procedures ("SOP")	- HSE meetings & conferences - Career management - Performance reviews
Customers	- Service Quality - Health, Safety & Environmental ("HSE") Compliance	- ISO Certification - HSE Performance Goals - Pandemic SOP	- Project planning & Coordination - HSE meetings, conferences & mentorships
Community	- Community Welfare & Engagement	- Local Hiring and Sourcing - Community Outreach Activities	- Local recruiting and hiring - Corporate Social Responsibility ("CSR") Activities
Government	- Compliance	- Regulatory Compliance - Maintain Legal Register - Compliance Training	- Regulatory seminars - Updating of permits & licenses
Suppliers/ Contractors	- Health & Safety - Ethics & Transparency - Lockdown Impacts	- Fair accreditation - OSHA Compliance - Anti-Corruption and Bribery ("ABC") Policy - Introduction of remote work and digital sharing of documents	- Accreditation procedures - Safety & Health awareness training & discussions - ABC policy awareness - Video conferencing & chat messages

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("SDGs")

Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda aims to focus global efforts and attention on 17 pressing issues. While the overall responsibility lies with national governments, the SDGs cannot be achieved without a concerted effort from businesses and other organisations.

Our main contribution to SDGs is by providing services that support O & G sustainable development. The mapping below identifies the areas of our business and operational activities that demonstrate our commitment to achieving SDGs.

UNSDGs	The Group Contribution
3 GOOD HEALTH AND WELL-BEING	**Goal 3. Ensure healthy lives and promote well-being for all at all ages.** > The Group does not tolerate any form of harassment in the workplace. > Provide employee health benefits, sports and recreational activities, compasionnate leaves, maternal and paternal leaves > Reduce Occupational risks
4 QUALITY EDUCATION	**Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** > Invest in workforce education, training, and technical programmes
5 GENDER EQUALITY	**Goal 5. Achieve gender equality and empower all women and girls** > Uphold the practice of equal opportunity to its employees, customers, suppliers and other stakeholders
8 DECENT WORK AND ECONOMIC GROWTH	**Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all** > Conduct skills assessment and communicate reasonable expectations > Foster productive local employment and workforce development > Encourage local procurement and supplier development > Received ISO 9001 Certification
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation** > Upgrade infrastructure and technology as well as enhance technological capabilities
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Goal 12. Ensure sustainable consumption and production patterns** > Practice environmentally sound waste management and recycling activities
14 LIFE BELOW WATER	**Goal 14. Conserve and sustainably use oceans, sea and marine resources for sustainable development** > Incorporate environmental assessments into management plans > Implement accident prevention, preparedness and response
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels** > The Group Policies address Courtesies, Conflicts of Interest, Related Party Transactions, as well as Bribery, Corruption and Business Ethics. > Conduct stakeholder engagement between the public and private sectors.

SUSTAINABILITY GOVERNANCE

We recognise that effectively embedding sustainability into our business operations requires a sound governance structure that inculcates a culture of sustainability within the Group.

SUSTAINABILITY COMMITTEE ("SC")

Our sustainability governance structure consists of two tiers: the Board and the Sustainability Committee.

BOARD

Sustainability Committee

- Group Chief Operating Officer ("COO")
- Group Chief Financial Officer ("CFO")
- Departmental General Manager
- HOD of Health, Safety and Environment
- HOD of Quality Assurance and Quality Control
- HOD of Group Finance and Accounts
- HOD of Human Resources

The Board of Directors ("Board") oversees the Group's sustainability strategies and empowers the SC to carry out their duties. The SC reports to the Board as to the status and sustainability performance of Carimin.

Headed by the COO, the SC assists the Board in performing their oversight responsibilities over the Group's sustainability policies and practices. The SC is composed of Managers and HODs. They implement, monitor and improve on the implemented sustainability initiatives to enhance the Group's sustainability performance. The SC also assesses the progress of the sustainability measures and reports their findings to the Board.

BUSINESS ETHICS AND ANTI-CORRUPTION

Exemplary ethical standards form the basis of our core values of respect, responsibility, integrity and trust. We expect all of our employees and partners to abide by all applicable laws, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. All business transactions of the Group are performed in accordance with the Group's Code of Conduct and Business Ethics ("our Code") and Anti-Bribery and Corruption Policy ("ABC Policy"). Moreover, we are constantly keeping pace with the changes in sustainability best practices and are ready to adopt or update our policies as appropriate.

Management and Monitoring:

We have established a rigorous set of implementation procedures to ensure compliance with our policies. All employees upon hiring are subject to an induction session, and all business partners upon accreditation as part of our supply chain are duly informed about the Group's policies. They are required to affirm their understanding and acceptance to the Group's Code and ABC policies with signed confirmation. In addition, all relevant operations are monitored regularly to ensure check and balance controls are in place and continue to be effective against incidents of corruption and bribery. To strengthen this aspect, the Group has engaged a Head of Corporate Compliance and Control to be on the Management team during the financial year.

Grievance Channel:

The Whistleblowing Policy provides a platform where all stakeholders can report grievances and actual or suspected incidents of misconduct. The process of making a confidential report is detailed in the policy guidelines and published on our corporate website.

SUSTAINABILITY RISK MANAGEMENT

The Board considers ESG risks as part of their fiduciary duties and that long-term financial returns are best achieved by operating sustainably. The Group formed a Risk Management Committee as a Board Committee. The Committee primarily oversees the enterprise risk management practices within the Group. They ensure that a robust and sound risk management framework is in place, so that the best practices in risk management can be implemented. The Company also conducts corruption risk assessments to identify bribery and corruption risks, set anti-bribery and corruption objectives and assess the effectiveness of existing strategies for achieving those objectives.

ECONOMY

The economic aspect is an essential component of Carimin's long-term growth and is thus rated as a high priority in our material matters. Although the O & G industry has to contend with the constantly shifting economic global climate, we remain steadfast in implementing business strategies to contribute to the sustainable economy.

The O & G industry has, in many ways, been identified as an essential sector under our national economic development programmes. Within this ecosystem, Carimin has established a niche of services in supporting the driving forces of the O & G industry. The Group has identified Business Strategy & Economic Performance as our economic indicator. We apply sustainable business strategies to realise profitability, expand our business, compete with peers, and strive to ensure compliance.

As concerns about climate change and greenhouse gases (GHG) are growing, there is an accelerating shift towards renewable energy and reducing GHG emission. In view of this, Carimin's business strategies and operations are constantly reviewed and realigned to remain relevant.

FY2021 Economic Impacts:

Revenue:	Shareholder's Equity:	Amount of contracts to the supply chain:	Number of Employees:	Employee Training Hours:
RM165.25 million	RM175.60 million	RM129.62 million	139	1,952

Ongoing Projects:

- Provision of Maintenance, Construction and Modification (Package C - Offshore) Peninsular Malaysia Oil ("MCM");
- Provision of Integrated Hook-Up and Commissioning ("iHUC") Services (Package C- SKG);
- Provision of Mechanical and Piping Maintenance Services for Labuan Crude Oil Terminal ("LCOT")

Contracts Secured:

- Provision of one (1) Self-Propelled Accommodation Work Boat (AWB3 – 150 PAX) for September 2020 Sarawak (SK) Turnaround (TA);
- Provision of Anchor Handling Tug Supply Boat for Petronas Carigali Sdn. Bhd. (AHTSB1032);
- Provision of Accommodation Work Boat (AWB) for Petronas Carigali Sdn. Bhd. (AWBOAT1019);
- Extension for the Provision of Mechanical and Piping Maintenance Services for Labuan Crude Oil Terminal ("LCOT")

Direct Economic Impact

The Group's direct economic contribution is measured in terms of income generation, contracts awarded to the Group, service contracts awarded to our supply chain, employment creation, and taxes generated. The investment we inject to grow and improve our business and services also contributes to economic growth.

Indirect Economic Impact

Our indirect impact is the value added to the Malaysian local and national economy. The effect of midstream investment and expenditures of the O & G support operation sector has a significant and beneficial economic impact over the decades. The number of skilled jobs created and spending through the supply chain is long term. Our partnership with stakeholders contributed to the increased number of local workers who are given training opportunities for relevant job scopes. We have contributed to the local supporting industries and communities in the locations where we have performed our contract and works over the years.

HEALTH SAFETY AND ENVIRONMENT ("HSE")

At Carimin, we embody sustainable excellence in all activities and services. In every aspect of our business and operations, we strive to achieve beyond the minimum regulatory requirements, at all times keep our personnel's safety and wellbeing and to conserve and preserve the environment.

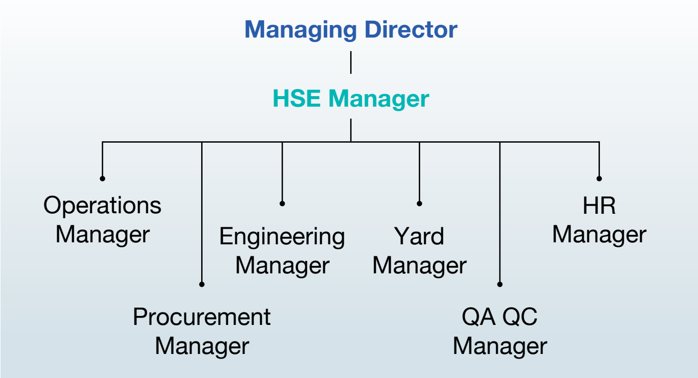
The Group adopts an integrated HSE management system and processes in one complete framework. The unified approach entails developing systematic practices to HSE compliance, including waste management, removal or reduction of dangerous pollutants and activities that reduce the risk of injuries for all employees.

HSE COMMITTEE

Main HSE Committee

The Main HSE Committee was established as the central body responsible for all employees and environmental protection, and operational health and safety. The committee comprises heads of department, headed by the HSE manager and chaired by the managing director, who is also a member of the Board. The committee review protocols, develop strategies, make recommendations, and monitor operational activities to ensure that all legislation is complied with and necessary measures are taken to prevent accidents, create a safe working surrounding and protect the environment. The HSE committee reports the status of the Group's HSE to the SC.

Main HSE Committee

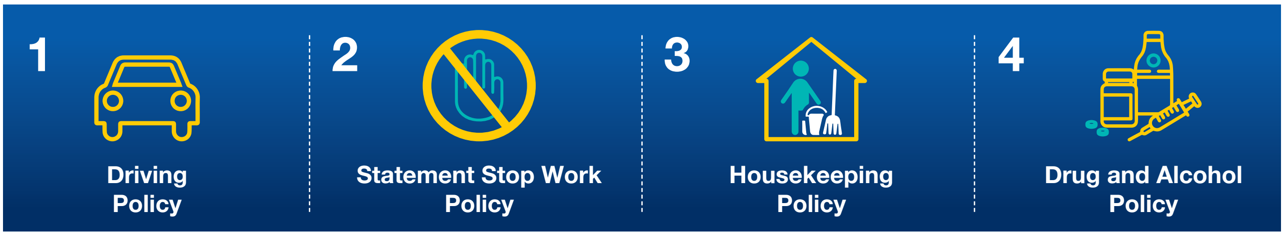


Project Safety Committee

A project safety committee is present in all Carimin operations, and the committee consists of the chairman, officers, and members, including contractors and subcontractors. The committee meets weekly, and the chairman submits to the HSE general manager monthly, quarterly and annual HSE performance.

HSE POLICIES

The Group HSE policy applies to all employees and business partners. We have also created supplemental policies to address all safety and health issues associated with our sector. These policies target health and work issues that specifically affect our daily operations. Please refer to our website for HSE policies.



HSE PROMOTION PROGRAMMES

Rewarding Positive Behaviour:

To highlight the emphasis placed by management on this aspect of the business operations, incentive programmes have been introduced to motivate employees. This encourages employees to identify hazards, intervene and report any unsafe act and unsafe conditions.

HSE Incentive

- BEST Unsafe Condition Unsafe Act ("UCUA")
- MOST UCUA
- HSE Best Personnel Performance

Presentation of token of appreciation; Best Workers, Best Safety and two (2) UCUA

Incident Reporting and Communication:

All injuries are reported promptly as prescribed within the reporting structure of the Company. The reported incidents are investigated to determine the potential severity and probability of occurrence. HSE breaches are taken seriously, and appropriate actions are taken, including employee or contractor dismissal who has frequently been errant or has committed a serious offence.

U-SEE U-ACT is a programme that allows us to mitigate human errors in our accident/incident prevention efforts before these errors could result in accidents. Observers can take immediate corrective actions and make suggestions. The process is not punitive in nature, and no names are mentioned in the reports submitted by observers. Additionally, standardised safety signs are placed to warn employees about potential dangers and the need for precautionary measures. All safety signs are displayed prominently at the entrances and/or workplace for reference.

Job Hazard Analysis ("JHA"):

The JHA is used to examine all the possible hazards and risks that can arise from a specific current or future event and/or operations. The analysis identifies methods for eliminating or mitigating those risks. Prioritised for assessment are jobs that historically incur more accidents, produce higher rates of injury, and pose more significant risks. Evaluations are conducted by the supervisor in charge and are then reviewed and endorsed by the HOD or Project Manager.

Emergency Response Plan ("ERP") and Emergency Response Team ("ERT"):

The ERP specifies the general responsibilities and duties of the ERT during an emergency and potential emergency. The purpose of the plan is to ensure that a system is available to summon and direct emergency services and personnel to minimise the risks to people on-site, the local community, the environment and asset preservation in the event of an emergency. It is also to ensure that sufficient resources are maintained in the state of readiness to give adequate response for the control of emergencies.

COMPETENCY AND TRAINING

To implement an effective and efficient HSE management, the Group has created customised training programmes for employees and contractors based on their work scope and responsibility. These training are updated as necessary.

- *Internal Training* is a structured working practice for raising awareness and a better understanding of the work environment to ensure that employees are well trained in executing their respective job responsibilities in projects.
- *External Training* focuses on teaching the basic knowledge of lifesaving appliances and survival techniques. This training is required for employees and subcontractors working onshore and offshore.
- *Manager/Supervisor Training* is conducted to highlight the worksite environment and HSE training.
- *Refresher courses* are organised at required intervals.

For FY2021, we have conducted 1,328 hours of external HSE training certifications and special courses for 206 contractors, vendors, and employees. The training is conducted utilising Offshore Petroleum Industry Training Organisation (OPITO), the global industry standard in oil and gas safety, skills, and competence, the government and third-party organisations.

ENVIRONMENT

Carimin's business activities are mainly at the Upstream sector of the O & G industry, where we are involved in the provision of technical and engineering support services. Hence, our waste generation is deemed low while energy and water consumption are also minimal. Given the nature of our business, risk or loss of biodiversity is not within our domain to address. In terms of climate change, our impact is limited to energy use which is not extensive. Nevertheless, we have incorporated in our Code and established an environmental policy that extends to our supply chain and partners committing to:

- Environmental communication and continuous education of our employees and partners
- Compliance with environmental laws, codes, standards and contractual requirements
- Allocate resources and persons responsible for protecting land, water and air
- Prevent any pollution and production of waste
- Conserve our resources and properly dispose of all hazardous and waste products
- Efficient use of all forms of energy consumption

Waste Management

Consistent with our environmental policy to prevent any pollution and production of waste, we have put in place procedures to manage our waste based on the requirements by the Department of Environment ("DOE"). Waste generated from our operations is handled and disposed by licensed contractors covering activities for transportation of waste from our premises to proper treatment until discharge notification is received.

Scheduled or Hazardous Waste:

All hazardous wastes are labelled with their contents, hazard warning and safe handling. All containers for storing hazardous chemicals are marked with standard warning signs following internationally accepted standards. Controlled materials have Safety Data Sheets ("SDS"), which serve as a guide for its safe use. It provides valuable information, such as the warning levels, the hazards of exposure to these chemicals, and information on handling, storage, preventive and emergency measures.

General Waste:

The non-scheduled waste that we generate is industrial, domestic and office waste. The industrial waste, which consists of ferrous metals from construction and fabrication projects, would be segregated for disposal or to be recycled by registered metal recycling companies.

HSE Audit and Inspection:

The effectiveness of our HSE initiatives is measured through an HSE audit and inspection. This process identifies programmes that require corrective action and those that deserve commendations. An annual audit is conducted, whereas quarterly inspections are carried out by the respective line supervisors. Daily checks are also performed prior to work commencement, where each worker is responsible for inspecting the tool, equipment or machinery they operate.

HSE COMPLIANCE AND PERFORMANCE

In the year under review, we are proud to report that the Group has maintained a zero "0" non-compliance report regarding the HSE aspects of our business operations. As a testimony of our HSE performance, in the year under review, our client, SEA Hibiscus Petroleum awarded Carimin with Best HSE Contractor Award 2021.

HSE COMPLIANCE AND PERFORMANCE (CONT'D)

The following HSE main regulations govern our operations.

Employment Act 1955 & Regulations	Occupational Safety & Health Act 1994 & Regulations
Petroleum (Safety Measures) Act 1984	Atomic Energy Licensing Act, 1984
Factories & Machinery Act 1967 and Associated Regulations	Environmental Quality Act 1974 & Associated Regulations
International Safety Management ("ISM") Code for the Safe Operation of Ships and for Pollution Prevention	DOE Guideline for decommissioning of Oil & Gas Facilities in Malaysia
Local municipal and enforcement authorities	HSE Rules/Guidelines – According to Customer Requirements

HSE Indicators

The table below shows our HSE performance and indicators. The waste generation and energy consumption period follow the calendar year, 1 January to 31 December. In comparison, the HSE statistics are according to the Group's annual year-end reporting, including the employees and contractors.

PERIOD	Fatality	Total Man Hours Worked	Total Man Hours Worked/ Since 2009	Total Safe Man Hours Worked	Total Safe Man Hours Worked/ since 2009
FY2021	0	1,872,491	19,594,566	1,872,491	18,059,273
FY2020	0	1,996,291	17,722,123	1,996,291	16,186,830
FY2019	0	2,732,285	15,725,832	2,732,285	14,190,539

PERIOD	*LTI Target	LTI Performance	**LTIF Target	LTIF Performance	Work Related Fatalities	Environmental Spill
FY2021	0.25	0	0.15	0	0	0
FY2020	0.25	0	0.15	0	0	0
FY2019	0.25	0	0.15	0	0	0

**LTI: on-the-job accident that resulted from an employee being absent from the workplace for a minimum of one full day work day*
***(LTIF) Lost Time Injury Frequency: Total LTI Case X 1,000,000/Total man hours exposed*

WASTE GENERATION (Tons)							
	Telok Kalong Yard (TKY)			Vessels			
PERIOD (Jan – Dec)	Recycled Metal	General Waste	Scheduled Waste	Recycled Metal	General Waste	Scheduled Waste	Oil Spill
2021	5	100	0	0.2	6.7	7	NIL
2020	20	130	31	2.8	27.8	32.7	NIL
2019	10	150	3	1.4	69	97.3	NIL

ENERGY CONSUMPTION						
PERIOD	Vessels Marine Gas Oil/ Litres	Electricity at TKY/ kWh	Fuel at TKY/ Litres		Electricity at Kuala Lumpur Office (KLO)/ kWh	Travel (company car petrol consumption)/ Litres
			Diesel	Petrol		
FY2021	1,401,963	82,949	2,011	364	11,4920	1,771
FY2020	3,248,655	183,658	6,118	719	236,266	4,092
FY2019	5,929,027	222,501	11,417	2,143	184,824	10,277

EMPLOYEES

Company Philosophy on Human Resources

The management of Human Resource of the Company is based on promoting excellence and efficiency. We believe that human capital is the most valued and important resources and that every employee's potential, creativity, integrity and skill shall be treated with appropriate empathy, dignity, respect and reward.

TALENT RETENTION AND DEVELOPMENT

We realise our Vision by exposing our team to numerous learning opportunities and enriching their work experiences. We design different development programmes that are implemented throughout the employee tenure. The scope of these training is not limited to the skills that they need for their current job but also for gaining competence for career advancement.

Training SOP

Need Analysis > Performance Review > Identify Training Programme > Attend Training > Review Training Effectiveness

Training Programmes:

Our training programmes consist of external and internal training. Supervisors and managers conduct internal training for new hires, new contractors/vendors and current employees who are assigned to new roles or responsibilities. By contrast, external training is carried out by a third-party service provider and also Government Agencies.

The Group has established training standard operating procedures ("SOPs") to identify appropriate training needs.

The Employee Needs Analysis ("ENA") is a process that assists an employee in identifying the areas where they can improve their performance and address any weaknesses. In contrast, the Training Needs Analysis ("TNA") is a process by which skills, proficiency, knowledge and attitude can be upgraded. The HODs determine these training during the recruitment process and annual appraisals. They also make the necessary adjustments based on the business plan, changes in customer specifications and regulatory policies.

The HODs submit yearly training plans and budget proposals, and all training attended by the employees are evaluated for their effectiveness to ensure optimal results. The COVID-19 pandemic persisted during the financial year under review. Given that the lack of essential skills is a potential threat to our organisation's growth, we transitioned from in-person to online training.

The table below shows the list of training completed in FY2021. The external health and safety training are certified career-enhancement programmes that will prepare employees for careers dedicated to the O & G industry.

TRAINING AND DEVELOPMENT		
Topic: Description	**Number of Hours**	**Number of Attendees**
Basic, Certification and Special Courses Training: Offshore Petroleum Industry Training Organisation (OPITO) / Basic Offshore Safety Induction and Emergency Training (BOSIET)	792	32
Safety & Health Assessment Implementation	32	2
Safety and Health Assessment System in Construction (SHASSIC)	32	2
Compliance Briefing: Code of Conduct and Business Ethics	552	138
Scheduled / Hazardous Waste Compliance	32	8
Effective Contract Preparation	64	4
Supply Base Customs Operation Seminar	8	1
PERMIT TO Work (Level2 Training)	408	17
Assistant Medical Review Officer (AMRO)	32	2
Total	1,952	206

TALENT RETENTION AND DEVELOPMENT (CONT'D)

Remuneration and Benefits

Our policies on fair remuneration, employee benefits, working days and hours are all in accordance with the living wage standard. Carimin complies with the Employment Act 1955 and provides the proper compensation and benefits mandated by Malaysian labour laws. Our employee salary exceeds the national minimum wage standard. The Group offers competitive packages, incentives, bonuses and salary increments based on performance. Employees can also avail of the Group Personal Accident ("GPA") and Group Hospitalization & Surgical (GHS) Insurance, dental and medical compensation, and outpatient medical allowance for the employees' family members.

For any overtime work carried out on top of normal working hours, an employee is remunerated according to the Employment Act 1955. Additional compensation and benefits are awarded for offshore workers, business trips and other out-of-the-office assignments. Employees are entitled to paid sick, annual, compassionate and parental leaves.

EMPLOYEE WELFARE AND WELLBEING

Working Hours:

The working hours of employees follow the national and O & G standards as well as the Employment Act 1955. At the headquarters, the working hours follow the national standard. Meanwhile, at the yards in Telok Kalong, Kemaman, days off are set on Fridays and Saturdays as it is located in the state of Terengganu where the work days are Sunday to Thursday. Working hours in offshore and onshore worksites are based on the operations with a maximum ceiling hour worked per day. An employee who performs his duty offshore for four (4) consecutive days is entitled to a one-day leave for rest and recreation or to disconnect from work.

Gatherings and Celebrations:

The Group has implemented a peer support initiative, which encourages work–life balance through recreational, sports and social activities such as celebrations of seasonal holidays and rental of badminton & futsal court fully subsidised by the Company. However, these activities were temporarily suspended during the year under review to curb the spread of COVID-19.

Malaysia is composed of multicultural and multi-religious demographics, and we are proud to be part of the celebration of many traditional and cultural holidays that honour religious, racial and ethnic diversity. Given that employees who are celebrating such holidays usually must return to their hometowns, they are permitted to take extended leaves where applicable. Their colleagues take over their tasks during their absence. To restrict the spread of COVID-19, gatherings and office parties were suspended during the pandemic period.

Workplace Health and Safety:

The Group strives to provide a safe and healthy workplace. We condemn all forms of sexual harassment, bullying and abuse of power. The Group has provided an avenue where all employees can raise concerns. The employee induction course includes a compliance briefing on the Code of Conduct, Business Ethics, Anti-Corruption and Bribery, Whistleblowing and other policies, rules and regulations. The Company maintains an Employee Handbook that is accessible to all employees for them to refer as well as a dedicated Human Resource Department to support employees if they wish to seek clarification or advice.

COVID-19 Measures

In response to the potential impacts of the COVID-19 pandemic on our business, we had immediately implemented emergency actions and facilitated the necessary changes in our work practices and organisational arrangements as per our SOP and Preparedness Plan for COVID-19. We adopted safety protocols and measures under the advisement of the Ministry of Health ("MOH") and the Ministry of International Trade and Industry ("MITI") for the safety of our employees.

Employees are mandated to wear masks, sanitise their hands, and have their temperature checked prior to entering the work premises. PCR tests, quarantine and disinfection of offices are carried out to prevent the spread of COVID-19. Carimin supports the use of the MySejahtera App to assist in monitoring the COVID-19 outbreak in the country. The app collects useful data that would aid the Group and the Government to plan timely and effective countermeasures.

WORKFORCE DIVERSITY

To value and respect, each other

We uphold equal opportunity for all employees and recognise that our continued success is due to the unified strengths of our employees. Our Code of Conduct and Business Ethics espouse equal employment opportunity and non-discrimination in relation to gender, ethnicity or race, age and nationality at the workplace.

Advocating for diversity is consistent with our Mission to 'increase our stakeholder value'. We believe that by having employees from diverse backgrounds, we are able to improve our creativity, innovation and decision making. Our support for diversity and inclusivity also strengthens our reputation amongst our peers and is a quality that attracts good talent. We are exerting efforts to promote gender equality. Nonetheless, given the nature of the work associated with the O & G industry, males comprise the majority of our employees.

	FY2021	FY2020	FY2019
Age Composition			
20-30 yrs. old	38 (27.33%)	46 (33.82%)	56 (42.8%)
31-45	76 (54.67%)	69 (50.73%)	57 (43.5%
46-60	25 (17.98%)	21 (15.44%)	18 (13.7%)
Total	139	136	131
Gender Distribution			
Male	104 (74.8%)	95 (69.85%)	86 (65.6%)
Female	35 (25.17%)	41 (30.14%)	45 (34.4%)
Ethnic/Nationality Distribution			
Malays	135	131	126
Other Ethnic Minorities	3	4	4
Non-Malaysian	1	1	1
New Employee Hires 2021			
Male	5	29	18
Female	4	3	10
Employee Turnover 2021			
Male	7	12	9
Female	8	3	4

Employee Retention by Gender					
PERIOD	2021		2020		2019
Gender	Male	Female	Male	Female	Male
Turnover	7	8	12	3	9
Newly Hired	5	4	29	3	18

Employment Contracts FYE2021		
	Number	Percentage
Permanent Employees	**43**	30.9%
Fixed-term Contract Employees (as at FYE2021)	**96**	69.1%
TOTAL	139	100%

Workforce by Employment Level and Gender Distribution						
PERIOD	2021		2020		2019	
Gender	Male	Female	Male	Female	Male	Female
Executive Directors	3	0	3	0	3	0
Management	20	1	16	1	17	1
Executive	18	16	9	16	11	21
O & G Professionals	50	2	55	1	40	2
Non-Professionals	13	16	17	18	19	17
Sub Total	**104**	**35**	**100**	**36**	**90**	**41**
Total	**139**		**136**		**131**	

CUSTOMER

Our customers rank high in priority amongst our stakeholders. Our commitment is to give them satisfaction and exceed beyond their expectations at all times.

QUALITY

To ensure that our customers receive good quality, we have established a Quality Policy and have obtained the Quality Management System ("QMS") ISO 9001:2015 certification, indicating that our products and services are at par with international quality standards. This certification attests that we have undertaken consistent actions in satisfying our customers' quality requirements, abiding by regulatory conditions, enhancing our competencies and investing in systems that will improve efficiency. These strategies have enabled us to deliver reliability towards sustainable growth.

The QMS organisational structure displays the leadership hierarchy and those commitments that must be fulfilled at every level. This structure defines the specific departments, positions, responsibilities, authority and interrelation of the personnel who will manage and verify the quality of our service.

CUSTOMER SATISFACTION

We monitor the customers' perception through the Customer Satisfaction Survey ("CSS"), which is the platform where customers can file complaints and provide feedback. The CSS is accomplished by interviewing a representative sample of our customers about the products or services that we have delivered. All complaints and feedback that are gathered through meetings, emails and verbal communications are recorded, compiled and analysed for corrective measures and further quality improvement.

Digitalisation and Automation

Digitalisation and automation have been one component of our future business strategy, but it was not our top priority. However, COVID-19 has made us realise that we have to bring forward the digitalisation and automation of our business and operations. We have carried out solutions such as remote working, digitally sharing documents, videoconferencing, and chat messages during the pandemic. We plan to automate our operations and make the necessary changes to upgrade our IT infrastructure and train our employees to digitally adapt the way we conduct business, collaborate and engage with our suppliers, vendors and customers.

We abide by the Malaysian Personal Data Protection Act 2010 ("PDPA"), which mandates the protection of the private data of our customers, employees and business partners. We have adopted the best practices in establishing our privacy and security controls. Our data protection practices ensure secure usage in and out of the system, and every user is held accountable for their actions to deter unauthorised user behaviour.

SUPPLY CHAIN

The sustainability of suppliers, vendors and contractors is vital in ensuring the efficient delivery of our services. As such, our supply chain partners are seamlessly integrated into the operations. Our practices are consistently evaluated, and the performance of vendors is closely monitored to identify areas for improvement and conformity that can be addressed in subsequent plans.

POLICIES AND PROCEDURES

The Group's Code and other policies, including our HSE policies, ABC policy and Whistleblowing policy, are extended to the supply chain. These guidelines will reinforce our Vision and Mission statement amongst our business partners as we collaborate towards mutual growth and success. As part of our process, accredited suppliers and contractors are provided copies of our policies. They are duly advised of the procedures relevant to their roles and responsibilities. We also require our suppliers to sign an integrity declaration and comply with HSE regulations, rules, orders and other associated legislation.

The risk control measures are implemented, and areas for improvement are regularly addressed. All vendors and suppliers are subject to HSE and ethical training and monitoring. Our Code is instilled into our purchasing personnel through training and awareness programmes. Only the best practices and the highest standards of behaviour and integrity are expected of them when conducting business. Any supplier who might wish to raise concerns or disclose any improper conduct may use the whistleblowing platform.

POLICIES AND PROCEDURES (CONT'D)

Vendor Performance

Measuring and evaluating performance is an opportunity to drive supplier improvement particularly in the area of cost management and efficiency. All non-compliance and HSE incidents are reported to the corresponding supervisor/HOD, who then investigates the case to determine its severity and prevent its reoccurrence. HSE and quality compliance are monitored through vendor performance reports to identify performance gaps and formulate solutions. Review questions vary based on the type of products or services supplied by the vendors, and the ensuing penalty depends on the severity of the non-compliance incident. In some cases, meeting with the vendor to highlight issues, discuss the problem and collectively agree on a solution or corrective action is sufficient to address non-conformity.

To continually improve our supply chain management, moving forward, we will incorporate more social and environmental aspects in the performance assessment of our vendors.

COMMUNITY

Carimin is privileged to belong in the O & G sector, which plays a major role in driving the Malaysian economy forward. We believe that it is our corporate responsibility to provide first-rate products and services and to always improve our performance. We integrate in our business strategies community investments to support the development of the communities where we operate and the nation as a whole through the positive impacts of our operations.

Our community commitments

We integrate CSR activities as part of our organisation by:
- *Developing and participating in community programmes that can enhance the quality of life especially to those related to healthcare, education, sports and environment;*
- *Protecting the health and safety of all individuals affected by our activities by providing safe and healthy working environment; and*
- *Actively managing the environmental impact in all our operations and activities.*

ENHANCING LOCAL CONTENT

Our actions which contribute to the growth of the O & G industry also generate opportunities for smaller companies to develop and for community members to be employed.

Local hiring is one of our major contributions. We sustain the local economy by hiring fellow Malaysians and training them to enhance their skills and capabilities. There is only one foreigner amongst all our employees. Our Labuan and Kemaman yards employ a yearly average of 76 semi-skilled and unskilled workers from the local community.

Local sourcing is prioritised in Carimin. All of our contractors and subcontractors are Malaysian companies that specialise in the O & G sector. Whenever possible, we would engage local partners located within or near the area where we operate who share our values and standards on safety, diversity and environmental protection.

COMMUNITY OUTREACH INITIATIVES

Philanthropic Activities

Carimin collaborates with various Non-Governmental Organisations and community groups to develop harmonious and lasting relationships with the communities where we operate. In 2021, our community welfare initiatives were focused on relief work for underserved groups affected by the pandemic.

The Group collaborated with local community groups such Pusat Pungutan Zakat Wilayah Persekutuan ("PPZWP") and University Malaysia Terengganu. Carimin encourages employees to participate in activities that contribute to society. However, to help curb the spread of COVID-19 only one volunteering activity was conducted.

COMMUNITY OUTREACH INITIATIVES (CONT'D)

Philanthropic Activities (Cont'd)

PROGRAMME OBJECTIVE	BENEFICIARIES
Provide funds for Surau & Learning Area Extension	Maahad Tahfiz Al-Quran Pengkalan Damar, Kuantan, Pahang
Food donation to families affected by the COVID-19 pandemic	50 x Asnaf people/B40 (lower income bracket), PPR Gombak Setia area
Provide funds to the business owners under B40 category that was badly affected by COVID-19	10 small business owners
Food donation drive	100 Asnaf family/B40 Kemaman Area

Left to right: Contributions to the low-income groups during the pandemic; provision of funds to small businesses affected by the pandemic; Carimin employee volunteers, in collaboration with University Terengganu, Kemaman, distributed Hari Raya goodies

ON THE JOB TRAINING

Our internship programme offers eligible students from local universities the opportunity to acquire direct practical experience. The hands-on programme teaches skills, knowledge, and competencies needed for new graduates or undergraduates; they learn the job while performing it within the actual work environment.

HUMAN RIGHTS

We are committed to upholding the human rights and ethical treatment of our employees, business partners and the community. The Group does not condone child labour and slave labour. This commitment extends to all our business partners. We adhere to the Children and Young Persons (Employment) Act 1996. In the year under review and since our establishment, there had been no incidence of child and slave labour in the Group and our supply chain.


CARIMIN

The Board of Directors ("the Board") of Carimin Petroleum Berhad ("the Company") recognises the importance of good corporate governance practices in the Company and its subsidiaries ("the Group") and is committed to put in place a proper framework and implement controls that are in line with the principles of best practices as recommended by the Malaysian Code on Corporate Governance ("MCCG").

The establishment, implementation and practice of the Principles and Recommendations of MCCG would support the business operations as well as the financial management of the Company and would invariably enhance the financial performance and shareholders' value in the long term.

This Corporate Governance Overview Statement should be read together with the Corporate Governance Report 2021 ("CG Report") which was prepared based on a prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the MCCG throughout the financial year ended 30 June 2021 ("FYE 2021"). The CG Report is available on the Company's corporate website at www.carimin.com, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board's Leadership on Objective and Goals

1.1 Strategic Aims, Values and Standards

The Board collectively leads and is responsible for the overall performance and affairs of the Group including adherence to a high standard of good governance. All Board members are expected to demonstrate good stewardship and act in a professional manner whilst 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 as well maximising 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.

To ensure the effective discharge of the Board's functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. The Managing Director ("MD") is responsible for the implementation of the Board's decisions, and the day-to-day operations of the Group's business and operational efficiency. Non-Executive Directors play a vital check and balance role by challenging and scrutinising the Senior Management's recommendations and proposals in an objective manner and bringing independent judgment to the decision-making process at the Board and Board Committee levels.

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 and evaluation of the Group's business management;
c. Discussing 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 members appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board;
e. Responsible for all statutory, regulatory and formal communications to the Company's shareholders, investors or stakeholders; 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.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objective and Goals (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

The Board has also delegated certain responsibilities to the following Board Committees, all of which are operate within the defined Terms of Reference to assist the Board in discharging its fiduciary duties and responsibilities:-

a. Audit Committee ("AC")
b. Nomination and Remuneration Committee ("NRC")
c. Risk Management Committee ("RMC")

(collectively referred to as "Board Committees")

The Terms of Reference of the respective Board Committees can be accessed via the Company's corporate website at www.carimin.com.

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.

1.2 The Chairman and MD

The roles and responsibilities of the Chairman and MD are exercised by different individuals and are clear and distinct. The Chairman of the Board, Tan Sri Dato' Kamaruzzaman Bin Shariff is a Non-Independent Non-Executive Chairman, whereas the MD is En. Mokhtar Bin Hashim.

The Chairman's primary role is to lead and manage the Board, which would include, amongst others, leading the Board in the oversight of the management, ensuring the integrity of the corporate governance process and issues, guiding and mediating Board actions with respect to organisational priorities and governance concerns. The MD is responsible for the development and implementation of strategy, overseeing and managing the day-to-day operations of the Group, such as, amongst others, developing long-term strategic and short-term cash flow plans, directing and controlling all aspects of business operations, overseeing the human resources need of the Group and ensuring compliance with all governmental procedures and regulations.

1.3 Qualified and Competent Company Secretary

The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd. ("CMS").

The Board is supported by a qualified and competent Company Secretary nominated by CMS. She is a member of the Malaysian Association of Companies Secretaries and holds a professional certificate as qualified Company Secretary under the Malaysian Companies Act 2016. She possesses over 25 years of experience in corporate secretarial practices.

The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which she has been appointed. The responsibilities of the Company Secretary are as set out in the Board Charter.

The Company Secretary manages the logistics of all Board, Board Committees and general meetings. She ensures minutes of all meetings are properly recorded and reflected the correct proceedings of the meetings, including whether any Director abstained from voting or deliberating on a particular matter.

During the financial year under review, all Board and Committees meeting were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

The Company Secretary also keeps the Directors and Principal Officers informed of the closed period for dealings in the Company's shares.

Overall, the Board is satisfied with the service and support rendered by the Company Secretary to the Board in the discharge of her functions.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objective and Goals (Cont'd)

1.4 Access to Information and Advice

The Board understands that the decision-making process is highly dependent on the quality and timing of information being furnished. The Board members have full and unrestricted access to all information concerning the Group's affairs as below:-

a. 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.

b. 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.

c. The AC meets with the Management, Internal Auditors and External Auditors regularly to review their audit plans and reports, and obtain updates and observations on internal control system and financial reporting matters.

d. The Board and/or Board Committees meeting papers are prepared and circulated to the Directors and/or Board Committees at least five (5) working days in advance of the Board and Board Committee meetings.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board Charter clearly sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and MD, as well as issues and decisions reserved for the Board, the Board's governance structure and authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

A copy of the Board Charter is available on the Company's corporate website at www.carimin.com.

3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics and Conduct

The Board has adopted a Code of Conduct and Business Ethics for Directors and employees towards their day-to-day duties and operations of the Group. It sets out the ethical standards and underlying core ethical values to guide actions and behaviours of all Directors and employees. The Code of Conduct and Business Ethics is formalised in the Company handbook and is available on the Company's corporate website at www.carimin.com.

The Board will review the Code of Conduct and Business Ethics regularly to ensure that it continues to remain relevant and appropriate.

3.2 Whistle Blowing Policy

The Board has put in place a Whistle Blowing Policy which is published on the Company's corporate website at www.carimin.com to provide the appropriate communication and feedback channels to facilitate whistle blowing, as well as to guide and address any reports of wrongdoing under the Code of Conduct and Business Ethics, including communication through the Company's corporate website. The Whistle Blowing Policy, which is published on the Company's corporate website, sets out the processes for employees or members of the public to report genuine concerns about illegal, unethical or questionable practices in confidence and without the risk or reprisal.

The Board had reviewed and updated the Whistle Blowing Policy to ensure that they continue to remain relevant and appropriate.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION

4. Board's Objectivity

4.1 Composition of the Board

In line with the Code, the Group is led and managed by a diverse, competent and experienced Board of Directors. The Board comprises a mix of diverse and suitably qualified individuals who has expertise and experiences within the oil & gas and civil engineering industry. The presence of Independent 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.

The Board currently has six (6) members as set out in the table below:-

Name of Board Members	Designation
Tan Sri Dato' Kamaruzzaman Bin Shariff, Chairman	Non-Independent Non-Executive Chairman
Mokhtar Bin Hashim, Member	MD
Lim Yew Hoe, Member	Executive Director
Yip Jian Lee, Member	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 current Board composition is in line with the Practice 4.1 of the MCCG to have at least half of the Board comprises Independent Non-Executive Directors and complies with Paragraph 15.05 of the MMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors.

There is a clear separation of functions between the Board and Management. The Board has full control of the Management and oversees the business direction of the Group while the Management is responsible for running the day-to-day business.

The day-to-day management of the Group is carried out and performed by the MD and Executive Director jointly and collectively with each Executive Director placed in charge of a portfolio of specific responsibility within the Group broadly segregated as follows:-

- Construction, Hook-Up & Commissioning, Topside Major Maintenance (CHUCTMM) Division;
- Manpower Services Division;
- Marine Division;
- Civil Engineering Division; and
- Project Services, Corporate Finance & Financial Reporting and Human Resource & Administration

4.2 Tenure of Independent Directors

The Board is aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, the Company does not have tenure limits for Independent Directors and the Board is of the opinion that the ability of an Independent Director to exercise his independence and objective judgment in Board deliberations shall not be interfered by his length of service as an Independent Director.

The assessment of independence of Independent Non-Executive Directors was conducted annually via Annual Evaluation of Independence of Director to ensure that they were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In the event that the Board intends to retain a Director who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, the Board will justify its decision and seek the shareholders' approval at a general meeting.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (Cont'd)

4.2 Tenure of Independent Directors (Cont'd)

During the financial year under review, none of the Directors of the Company has served the Board as an Independent Director exceeds a cumulative term of more than nine (9) years.

4.3 New Appointment to the Board

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

In identifying for suitable candidates, the NRC may receive suggestions from existing Board members, Management and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

All Board members shall notify the Chairman of the Board before accepting any new directorship 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.

In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the Annual General Meeting ("AGM"), and be eligible for re-election provided always that all Directors shall retire from office at least once in every three (3) years.

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.

4.4 Diverse Board and Senior Management Team

The Group is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, ethnicity throughout the organisation.

Appointment of Board and Senior Management are based on objective criteria, merit and besides gender diversity, due regard are placed for diversity in skills, experience, age, integrity and cultural background. Please refer to the Profiles of Directors and Key Senior Management as disclosed in this Annual Report for further information.

4.5 Gender Diversity

The Board recognises that gender diversity and equitable representation at Board and Senior Management level are essential element of good governance, and is a critical attribute of a well-functioning Board and maintaining a competitive advantage. It enhances decision-making capability and a diverse Board is more effective in dealing with organisational changes.

In line with the MCCG, the Board has established a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at Board level. The objectives/principles and measures as set out in the Gender Diversity Policy are summarised below:

Objectives/Principles

a. The Company acknowledges the importance to promote gender diversity at Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this policy.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (Cont'd)

4.5 Gender Diversity (Cont'd)

b. In assessing the Board composition and Board effectiveness, the Board shall accord due consideration to gender diversity, required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Measures

To pursue the objectives of gender diversity, the Board will take into consideration the following measures:-

a. The NRC and the Board shall nominate or appoint a gender diverse Board with a broad spectrum of perspectives, including but not limited to education background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.

b. The NRC is responsible in ensuring that gender diversity objective is adopted in the Board recruitment and succession planning processes.

c. The Company shall adopt a more accommodating boardroom culture and environment that is free from discriminations to attract and retain female participation at the Board level.

d. The Company will undertake the following strategies to promote its gender diversity at Board level:-

- recruiting from a diverse pool of candidates for female Directors;
- reviewing succession plans to ensure an appropriate focus on gender diversity;
- identifying specific factors to take into account the recruitment and selection processes to encourage gender diversity; and
- any other strategies the Board may develop from time to time.

To avoid any mismatch and ineffective appointment of female Directors, the Board does not set any specific target for female Directors in the Gender Diversity Policy. However, the Board practises non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company.

The Board will review the Gender Diversity Policy from time to time to ensure that the policy remains relevant and viable to meet its objectives.

4.6 NRC

The NRC is chaired by En. Mohd Rizal Bahari Bin Md Noor, an Independent Non-Executive Director. The NRC comprises the following members, all being Non-Executive Directors and majority of whom are Independent Directors:-

Name of NRC 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
Wan Muhamad Hatta Bin Wan Mos, Member	Independent Non-Executive Director

The Terms of Reference of the NRC is published on the Company's website at www.carimin.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (Cont'd)

4.6 NRC (Cont'd)

The NRC meets as and when required. The activities undertaken by the NRC during the FYE 2021 were as follows:

a. Conducted an annual assessment of the Board's effectiveness as a whole and Board Committees in respect of the financial year ended 30 June 2020 ("FYE 2020");

b. Conducted independent assessment for each Board and Board Committees' Member effectiveness as a whole.

c. Reviewed and assessed the term of office and performance of the AC and each of its members for the FYE 2020;

d. Reviewed and assessed the independence of each Independent Director; and

e. Reviewed and recommended to the Board, the re-election of the Directors who were due for re-election by rotation at the Eighth AGM of the Company.

5. Overall Effectiveness of the Board and Individual Directors

5.1 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2021, the Board met six (6) times where they deliberated and approved various reports and issues, including quarterly financial results of the Group for the announcement to Bursa Securities as well as discussed on the business plans and strategies, major investments, strategic decisions, financial budgets as well as the Group's financial performance.

The number of meetings held and attended by each members of the Board and the Board Committees during the FYE 2021 are as follows:-

Type of Meetings	Board	AC	NRC	RMC
No. of Meetings Held	6	7	3	1
Name of Directors	**No. of Meetings Attended**			
Tan Sri Dato' Kamaruzzaman Bin Shariff	6	-	3	-
Mokhtar Bin Hashim	6	-	-	1
Shatar Bin Abdul Hamid *(Resigned w.e.f 9 April 2021)*	5	-	-	-
Lim Yew Hoe	6	-	-	-
Yip Jian Lee	6	7	3	-
Mohd Rizal Bahari Bin Md Noor	6	7	3	1
Wan Muhamad Hatta Bin Wan Mos	6	7	3	1

To facilitate the Directors' time planning, the meetings calendar was prepared in advance of each new year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the AGM. The closed periods for dealings in securities by Directors and Principal Officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

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.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Overall Effectiveness of the Board and Individual Directors (Cont'd)

5.1 Attendance of Board and Board Committees' Meetings (Cont'd)

Prior to the meetings, all members are provided with the agenda and meeting papers containing information relevant to the business of the meeting, typically at least five (5) 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 meeting papers provide sufficient details of matters to be deliberated during the meeting which includes information on 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.

The Notice of Board meetings are sent to the Directors via email at least five (5) working days prior to the dates of meetings.

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 the meetings. The draft minutes of which are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings before they are finalised and tabled at the next meeting for confirmation. 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 to board policies and procedures, the Board consults the Company Secretary on procedural and regulatory requirements.

5.2 Directors' Trainings

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.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Overall Effectiveness of the Board and Individual Directors (Cont'd)

5.2 Directors' Trainings (Cont'd)

During the FYE 2021, the Directors have attended the following training programmes, seminars and conferences in compliance with Paragraph 15.08 of the MMLR of the Bursa Securities:-

Name of Directors	Programmes / Seminars attended
Tan Sri Dato' Kamaruzzaman Bin Shariff	• Updated MCCG 2021
Mokhtar Bin Hashim	• Green Energy, Blue Skies and Black Gold – Are We at Breakpoint? – Live Webinar (MOGEC) • Updated MCCG 2021 • The Sustainability Accelerator Programme – Online (Malaysian Investor Relation Association)
Lim Yew Hoe	• What Drives Investor Sentiments Today: The Disconnect between Wall Street & Main Street • Market Outlook 2021: Steering through Volatility Webinar • ESG In Investing: The Time is Now • Updated MCCG 2021
Yip Jian Lee	• "Green Fintech: Ping An's journey to becoming a top ESG-performing Financial Institution" • Fraud Risk Management Workshop • Board Briefing on Adequate Procedures & Principles relating to Section 17A MACC Act 2009 • Cybersecurity Risks, Challenges and Response • Singapore Fintech Festival • Effects of COVID-19 on Transfer Pricing • An overview of Group Wide Supervision for Boards & Senior Management • Corporate Governance: Understanding the Board Decision Making Process • KPMG's thoughts leadership on human rights – "Managing Human Rights: Why is it important to Corporations" • Rethinking our approach to Cyber Defense in FIs • Sustainable Finance: Making Better Financial Decisions • RMiT & Digital Transformation: What they mean for Governance & Strategy for Bank and Insurance Board • Dialogue on MFRS 17 Insurance Contracts: What every director must know • Board and Audit Committees Priorities 2021 • Updated MCCG 2021 • JC3 Flagship Conference 2021
Mohd Rizal Bahari Bin Md Noor	• Updated MCCG 2021
Wan Muhamad Hatta Bin Wan Mos	• Fraud Risk Management • ASB Leadership Energy Summit • Updated MCCG 2021 • Asia Digital Financial Seminal 2021

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

6. Level and Composition of Remuneration

6.1 Remuneration Policy

The NRC of the Company is principally responsible for assessing and reviewing the remuneration policy and packages for the Directors of the Company. The NRC also seeks to ensure that the remuneration packages commensurate with the expected responsibility and contribution by the Directors and subsequently recommending to the Board for approval.

The Terms of Reference of NRC which details out the roles and responsibilities in relation to the remuneration matters, is accessible on the Company's website at www.carimin.com.

The Board has established a formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which consider the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is made available for reference on the Company's corporate website at www.carimin.com.

The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors with the desirable qualities to manage the business of the Group.

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

The tables below set out the main components and structure of the remuneration packages of Directors and Senior Management of the Company:-

(i) Remuneration structure for the Senior Management and/or Directors who hold an Executive role in the Company

Component to pay	Particulars
Base Salary	A fixed salary will be paid for performing the scope of duties and responsibilities and will be reviewed based on the individual performance and achievements of the Company/the Group and comparable market rate within the industry.
Bonus / Incentive	Annual bonus/incentive will be paid to reward, retain and motivate the individual and will depend on the performance of the Company/the Group and the personal contribution of the individual to the achievement of those results.
Other Benefits	Other benefits which include contribution of EPF, SOCSO, medical fees, medical or health insurance, motor vehicle, driver, handphone, commission, travelling and entertainment claims, amongst others, will be provided based on the Group's human resource policy in the context of market practices.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

6. Level and Composition of Remuneration (Cont'd)

6.1 Remuneration Policy (Cont'd)

(ii) Remuneration structure for the Directors who hold a Non-Executive role in the Company:-

Component to pay	Particulars
Fees	A fixed retainer sum will be paid for their contribution to the Board and the Company. The fixed fee is determined based on the following factors: • On par with the rest of the market; • Reflect the qualifications and contribution required in view of the Group's complexity; • The extent of the duty and responsibilities; and • The number of Board meetings and Board Committees' meetings
Meeting allowance and other benefits	A reasonable fixed meeting allowance will be paid on per trip basis with the condition that attendance is a prerequisite for such remittance. Other benefits which include flight tickets, accommodation, travelling expenses, amongst others, incurred in the course of performing his duties or other things required of him as a Director of the Company.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:-

a. fees payable for Directors who hold non-executive role in the Company shall be paid by a fixed sum and not by commission on or percentage of profits or turnover;

b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;

c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

d. salaries and other emoluments payable to Directors who hold executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting and such salaries and emoluments may not include a commission on or percentage of turnover.

The Board will review this policy from time to time and make any necessary amendments to ensure that it remains consistent with the Board's objectives, current law and practices.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Remuneration of Directors and Senior Management

7.1 Details of Remuneration of Directors

The Directors' fees and/or benefits payable to Non-Executive Directors of the Company are subject to the approval of shareholders of the Company. The remuneration payable to the Directors on the Company and the Group for the FYE 2021 are as follows:-

The Company

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Others RM	Total RM
Tan Sri Dato' Kamaruzzaman Bin Shariff	105,000	-	-	6,900	-	-	111,900
Mokhtar Bin Hashim	-	-	-	-	-	-	-
Shatar Bin Abdul Hamid *(Resigned w.e.f 9 April 2021)*	-	-	-	-	-	-	-
Lim Yew Hoe	-	-	-	-	-	-	-
Yip Jian Lee	70,000	-	-	6,000	-	-	76,000
Mohd Rizal Bahari Bin Md Noor	60,000	-	-	6,000	-	-	66,000
Wan Muhammad Hatta Bin Wan Mos	60,000	-	-	6,000	-	-	66,000
TOTAL	**295,000**	**-**	**-**	**24,900**	**-**	**-**	**319,900**

The Group

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Others RM	Total RM
Tan Sri Dato' Kamaruzzaman Bin Shariff	105,000	-	-	6,900	-	-	111,900
Mokhtar Bin Hashim	-	876,000	-	-	146,000	-	1,022,000
Shatar Bin Abdul Hamid *(Resigned w.e.f 9 April 2021)*	-	372,000	-	-	-	18,600	390,600
Lim Yew Hoe	156,000	-	-	-	-	12,000	168,000
Yip Jian Lee	70,000	-	-	6,000	-	-	76,000
Mohd Rizal Bahari Bin Md Noor	60,000	-	-	6,000	-	-	66,000
Wan Muhammad Hatta Bin Wan Mos	60,000	-	-	6,000	-	-	66,000
TOTAL	**451,000**	**1,248,000**	**-**	**24,900**	**146,000**	**30,600**	**1,900,500**

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Remuneration of Directors and Senior Management (Cont'd)

7.2 Details of Remuneration of Senior Management

The details of the remuneration of the top five (5) Senior Management of the Group for the FYE 2021 are as follows:-

Range of Remuneration	No. of Senior Management
Below RM50,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	1
RM200,001 to RM250,000	2
RM250,001 to RM300,000	2
RM300,001 to RM350,000	-
TOTAL	**5**

Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000.00 is adequate.

PRINCIPLE B – EFFECTIVENESS AUDIT AND RISK MANAGEMENT

PART I – AC

8. Effective and Independent AC

The AC is chaired by Pn. Yip Jian Lee, an Independent Non-Executive Director who is not a Chairman of the Board. The positions of Board Chairman and AC Chairperson assumed by different individuals which allows the Board and AC to objectively review their findings and recommendations.

The AC comprises the following three (3) members who are exclusively Independent Non-Executive Directors:-

Name of AC 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 AC members are financially literate and they are able to understand matters under the purview of the AC including the financial reporting process, whilst the Chairperson of the AC is 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. The AC has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairperson of the AC.

Currently, none of the members of the AC were former key audit partners of the present auditors of the Group. The Company has always recognised the need to uphold independence. The AC has in place a policy that requires a former key partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. The policy had been codified in the Terms of Reference of AC of the Company which is published on the Company's website at www.carimin.com.

PRINCIPLE B – EFFECTIVENESS AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – AC (CONT'D)

8. Effective and Independent AC (Cont'd)

The objectives of the AC are, amongst others, to provide additional assurance to the Board by giving an objective and independent review of the Group's financial, operational and internal control procedures. The AC is also tasked with reinforcing the independence of the Company's Internal and External Auditors, thereby ensuring that the auditors have autonomy and independence in their audit process.

Members of the AC and the activities carried out during the financial year under review are as set out in the AC Report in this Annual Report.

The term of office and performance of AC and its members are reviewed by the NRC annually to determine whether they have carried out their duties in accordance with the Terms of Reference.

The AC plays a crucial role in assisting the Board to scrutinise the information for disclosure to stakeholders to ensure accuracy, adequacy, validity and timeliness of the financial statements.

The Board has established the External Auditors Assessment Policy together with an annual performance evaluation form to review, assess and monitor the performance, and independence of the External Auditors of the Company.

PART II – Risk Management and Internal Control Framework

9. Risk Management and Internal Control Framework

9.1 Effective Risk Management and Internal Control Framework

The Board affirms its overall responsibility in 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 Board is responsible for the Group's system of internal controls. The internal control covers the financial and non-financial aspects including risks assessment. It also encompasses compliance and operational controls, as well as risks management matters. The Group has formalised Standard Operating Procedures and Financial Authority Limit which take into consideration the adequacy and integrity of the system of internal control.

The review and assessment of the Company's internal control and risk management framework are conducted at least once a year. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

9.2 RMC

The Board formed the RMC on 20 August 2015, which comprises the following three (3) members with majority of whom are Independent Directors:-

Name of RMC Members	Designation
Wan Muhamad Hatta Bin Wan Mos, Chairman	Independent Non-Executive Director
Mokhtar Bin Hashim, Member	MD
Mohd Rizal Bahari Bin Md Noor, Member	Independent Non-Executive Director

The RMC is to assist the Board in the following functions:-

i. Carrying out its responsibility of overseeing the Group's risk management framework and policies;

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

iii. Determining the nature and extent of significant risks which it is willing to take in achieving its strategies objectives.

PRINCIPLE B – EFFECTIVENESS AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – Risk Management and Internal Control Framework (Cont'd)

10. Effective Governance, Risk Management and Internal Control Framework

10.1 Internal Audit Function

The Group has established an internal audit function which is outsourced to a professional service firm, BDO Governance Advisory Sdn. Bhd. They report directly to the AC. The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.

To ensure that the responsibilities of Internal Auditors are fully discharged, the Board had established the Internal Auditors Assessment Policy together with an annual assessment form. The AC will evaluate the performance of the Internal Auditors upon such evaluation criteria as set out in its Internal Auditors Annual Assessment Form, amongst others, the following were some of the criteria reviewed by the AC:-

a. Adequacy of resources and experience of the internal audit firm;
b. Quality processes of the internal audit firm;
c. Competency of the engagement team;
d. Governance and independence;
e. Internal audit fee, scope and planning; and
f. Internal audit reports and communications

The details of the internal audit function and activities carried out during the FYE 2021 are set out in the AC Report of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – Communication with Stakeholders

11. Continuous Communication between the Company and Stakeholders

The Board values the importance of effective communication and timely flow of information on all material business matters to its stakeholders. Hence, the Board has established a Corporate Disclosure Policy to enable comprehensive, accurate and timely disclosure information to its shareholders and stakeholders. A copy of the policy is published on the Company's corporate website at www.carimin.com.

Quarterly results, announcements, analyst briefings, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, www.carimin.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

PART II – Conduct of General Meetings

12. Shareholders' Participation at General Meetings

12.1 AGM

The Company dispatched its notice of AGM and related papers to shareholders at least twenty-eight (28) days before the AGM to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

The AGM serves as the principal forum for direct interaction and dialogue between the shareholders, the Board and the Management. The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and matters concerning the Group. During the AGM, the MD also provided shareholders with a brief overview of the Company financial year's performance and operations. Shareholders are encouraged to actively participate in the question and answer session. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the meeting.

PART II – Conduct of General Meetings (Cont'd)

12. Shareholders' Participation at General Meetings (Cont'd)

12.1 AGM (CONT'D)

At the AGM and/or other general meetings, all resolutions put forth for shareholders' approval at the meeting were voted on by poll of which the votes shall be validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meeting is announced to Bursa Securities at the end of the meeting day.

Shareholders are encouraged to attend general meetings and are allowed to appoint proxy(ies) to attend, participate, speak and vote at the general meetings on their behalf and represent them.

Shareholders who have questions and queries are welcome to submit questions or engage with Management separately. Management will endeavour to respond within a reasonable time.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCCG, the relevant chapters of the MMLR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2021.

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to engender trust and confidence amongst stakeholders.

The Directors are fully accountable for ensuring that the financial statements are drawn up in accordance with the requirements of the Companies Act 2016 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the operation results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2021, the Directors have:

a. applied relevant and appropriate accounting policies consistently and in accordance with applicable approved accounting standards;

b. made judgments and estimates that are prudent and reasonable; and

c. applied the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy, the financial position of the Group and the Company, and to enable proper financial statements to be prepared in accordance with the applicable laws and regulations. The Directors also have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the 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 on 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 year 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' interest 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 Risk Management Committee and Audit Committee respectively.

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 but do not apply to the non-controlled entity. The Group's interest in the non-controlled entity are 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 ventures.

MANAGEMENT RESPONSIBILITY

The Management team led by the Managing Director and Executive Directors 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 annually with the Internal Auditor and are brought to the Risk Management Committee and subsequently to the Audit Committee for deliberation at its scheduled meetings.

RISK MANAGEMENT PROCESS

The Risk Management Committee that comprises two (2) Independent Non-Executive Directors and one (1) Executive Director 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.

During the financial year ended 30 June 2021, the Group's has engaged BDO Governance Advisory Sdn. Bhd. ("BDO") to carried out the enterprise risk management review and update for year 2021. The updated risk profile and review observations were presented and deliberated at the Risk Management Committee Meeting held on 18 May 2021.

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

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 which is independent of the activities and operations of the Group, report directly to the Audit Committee.

INTERNAL AUDIT FUNCTION (CONT'D)

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

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

Entity	Businesss Process
Carimin Petroleum Berhad – performed on group level	Internal Control review on:- - Budgetary Control; - Procurement to Payment; and - Billing to Collection
Carimin Engineering Services Sdn. Bhd.	Special review on:- - Whistleblowing incident; - Conflict of interest

b) 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 Management and subsequently presented to the Audit Committee at their scheduled meetings. 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 2021 is RM129,000.00

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 projects capital expenditure, 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 together with 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 the Chief Financial Officer and subsequently presents it 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 MMLR of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 June 2021. Their review was carried out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The External Auditors report to the Board that 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 paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

ASSURANCE TO THE BOARD

The Board has received assurance from the Managing Director and Chief Financial Officer 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.

CONCLUSION

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 on the recommendation of the Audit Committee to the Board and is made in accordance with the Board's resolution dated on 20 October 2021.

OBJECTIVES

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.

COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee of the Company are as follows:

Audit Committee Members	Designation	Directorship
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 Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") which required all members of the Audit Committee to be Non-Executive Directors with a majority of them being Independent Directors.

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

SUMMARY OF WORKS DURING THE FINANCIAL YEAR

During the financial year under review, the Audit Committee convened seven (7) meetings and the attendance of the members of the Audit Committee is set out as follows:-

Audit Committee Members	No. of meetings attended
Yip Jian Lee, Chairperson	7 of 7
Mohd Rizal Bahari Bin Md Noor, Member	7 of 7
Wan Muhamad Hatta Bin Wan Mos, Member	7 of 7

The following is a summary of the main works carried out by the Audit Committee during the financial year ended 30 June 2021:-

i. Reviewed the Group's unaudited 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 with the External Auditors on the results and issues arising from their audit of the financial year and statements and their resolutions of such issues highlighted in their report to the Audit Committee.

iii. Reviewed with the Internal Auditor, the internal audit plan, work done and reports of the internal audit function, whistleblowing incident 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. Considered and recommended the re-appointment of Crowe Malaysia PLT as External Auditors and their audit fees of the Group to the Board for consideration based on the competency, efficiency and independency as demonstrated by the Auditors during their audit.

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

vi. Reviewed any 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; and

vii. Self-appraised the performance of the Audit Committee for the financial year ended 30 June 2020 and submit the evaluation to the Nomination and Remuneration Committee for assessment.

INTERNAL AUDIT FUNCTION

Internal audit function of the Group has been outsourced to BDO Governance Advisory Sdn. Bhd. ("BDO" or "the Internal Auditors"), an independent consulting firm, to carry out internal audit services for the Group. Internal audit reports and follow-up review reports are presented, together with Management's response and proposed action plans to the Audit Committee on a quarterly basis.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk-based audit plan approved by the Audit Committee. The risk-based audit plans cover the review of the key operational and financial activities including the efficacy of risk management practices, efficiency and effectiveness of operational controls and compliance with relevant laws and regulations. Scheduled audits are carried out on subsidiaries of the Company in accordance to the approved Internal Audit Plan. A risk-based methodology is adopted to evaluate the adequacy and effectiveness of the risk management, financial, operational and governance processes.

The cost incurred for the internal audit function of the Group for the financial year ended 30 June 2021 is RM129,000.00.

A summary of the works of the internal audit function is disclosed in the Statement on Risk Management and Internal Control.

The internal audits conducted did not reveal any weakness which would result in material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

On 10 November 2014, the entire enlarged issued 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").

The gross proceeds from the Public Issue of 60,700,000 new ordinary shares of RM0.50 at an issue price of RM1.10 per ordinary share ("IPO") on 10 November 2014 amounted to RM66.77 million and the status of the utilisation of the proceeds raised as at 30 June 2021 is as follows:-

Details of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Timeframe for Utilisation
Purchase of offshore support vessel	35,320	35,320	—	
Development of minor fabrication yard	12,000	1,846	10,154	Within 104 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**	**56,616**	**10,154**	

Note:
* The Board had on 13 September 2021 approved the extension of time for the utilisation of the proceeds derived from the IPO allocated for the development of minor fabrication yard for an additional twenty two (22) months to 30 June 2023.

AUDIT AND NON-AUDIT FEES

The fees paid/payable for services rendered by the External Auditors during the financial year ended 30 June 2021 are as below:-

Description	Audit Fee (RM)	Non Audit Fee (RM)	Total RM)
The Company	45,000	13,000	58,000
The Group	177,000	-	177,000

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest during the financial year ended 30 June 2021.

RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of a revenue or trading nature during the financial year ended 30 June 2021.

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 2021.

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	13,279	11,161
Attributable to:-		
Owners of the Company	13,318	11,161
Non-controlling interests	(39)	-
	13,279	11,161

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2020 are as follows:-

	RM'000
In respect of the financial year ended 30 June 2021	
A first interim dividend of 0.5 sen per ordinary share, paid on 12 January 2021	1,169

On 13 September 2021, the Company declared a second interim dividend of 0.5 sen per ordinary share amounting to RM1,169,390 in respect of the financial year ended 30 June 2021, payable on 28 October 2021. The financial statements for the financial year ended 30 June 2021 do not reflect this second interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in ensuing financial year ending 30 June 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the 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 ensure that any current assets, 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

At the date of this report, there does not exist:-

(a) 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

(b) 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 their 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 in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Dato' Kamaruzzaman Bin Shariff
Mokhtar Bin Hashim
Lim Yew Hoe
Mohd Rizal Bahari Bin Md Noor
Wan Muhamad Hatta Bin Wan Mos
Yip Jian Lee
Shatar Bin Abdul Hamid (Resigned on 9.4.2021)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Armand Emir Bin Johany
Ir. Dr. Mohd Asbi Bin Othman
Wan Hamdan Bin Wan Embong
Zhafri Bin Mokhtar
Abd Hakim Bin Asmaun
Mad Daud Bin Sukarmin
Mazhar Bin Palil
Muhammad Hatta Bin Noah
Ng Mai Mai (Resigned on 4.6.2021)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.7.2020	Bought	Sold	At 30.6.2021
The Company				
Direct Interests				
Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	-	-	2,000,000
Mokhtar Bin Hashim	57,670,234	81,500	-	57,751,734
Lim Yew Hoe	3,150,000	-	-	3,150,000
Mohd Rizal Bahari Bin Md Noor	50,000	-	-	50,000
Wan Muhamad Hatta Bin Wan Mos	50,000	-	-	50,000
Yip Jian Lee	50,000	-	-	50,000

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 remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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(b) 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.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 38 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM5,000,000 and RM10,214 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 30 to the financial statements.

Signed in accordance with a resolution of the directors dated 20 October 2021.

Tan Sri Dato' Kamaruzzaman Bin Shariff

Mokhtar Bin Hashim

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

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 79 to 157 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 20 October 2021.

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

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lim Yew Hoe, 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 79 to 157 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lim Yew Hoe, NRIC Number: 680618-10-5165
at Kuala Lumpur
in the Federal Territory
on this 20 October 2021

Lim Yew Hoe

Before me

Datin Hajah Raihela Wanchik (No. W-275)
Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Carimin Petroleum Berhad, which comprise the statements of financial position as at 30 June 2021 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th colspan="2">Revenue recognition for construction contract
Refer to Note 27 to the financial statements</th></tr>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>Construction contract revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.

We focused on this area as construction contract accounting is inherently complex due to the contracting nature of the business, which involves significant judgements. These include the determination of the total budgeted contract costs to complete the projects and the calculation of percentage of completion which affects the reported revenue and profits to be recognised. In making the estimate, the management relies on workdone certified by customers and/or independent third parties, past experience and the continuous monitoring mechanism.</td><td>• Our audit procedures include, amongst others:-

- Making enquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project revenue and cost;

- Reviewing major contracts and identifying its distinct performance obligations; and

- Reviewing the reasonableness and basis of estimation of the contract works awarded and comparing to actual costs incurred to-date reflects each performance obligation.</td></tr>
</table>

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report. (Cont'd)

Impairment of vessels Refer to Note 6 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
As at 30 June 2021, the Group reported an aggregate carrying value of RM91.91 million for its vessels including dry docking expenditure. The volatility of the oil and gas prices had affected the offshore activities and upstream vessels, which gave rise to a risk that the carrying amount of the Group's vessels and dry docking expenditure might exceed their recoverable amounts. An impairment of RM1.64 million on its vessels was recognised in the current financial year following its impairment assessment as disclosed in Note 6 to the financial statements. The impairment is recognised as the recoverable amount of the vessels, being the vessels' fair value less cost of disposal ("FVLCOD") is lower than the carrying amount. We focused on this area as the determination of the recoverable amount of the vessels involved significant assumptions in particular the estimated fair value of the vessels, as provided by an independent professional valuer ("valuer").	• Our audit procedures include, amongst others:- - Evaluating the qualification and competency of valuer engaged by the Management to understand and determine whether there were any matters that might have affected their objectivity or their scope of work was limited; - Assessing the accuracy and relevance of key input data (age of vessels, open market value of similar vessels and current market demand) used by valuer to examine the assumptions and valuation techniques used in deriving the fair values of the vessels in accordance with MFRS 136 'Impairment of Assets'; and - Reviewing the adequacy of disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ung Voon Huay
03233/09/2022 J
Chartered Accountant

Kuala Lumpur

20 October 2021

STATEMENTS OF FINANCIAL POSITION
at 30 June 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	**-**	-	**88,176**	80,176
Property, plant and equipment	6	**97,782**	103,941	**-**	-
Right-of-use assets	7	**2,652**	3,037	**-**	-
Investment in joint venture	8	**2,583**	4,221	**-**	-
Other investments	9	**50**	50	**-**	-
		103,067	111,249	**88,176**	80,176
CURRENT ASSETS					
Trade receivables	10	**9,309**	15,196	**-**	-
Other receivables, deposits and prepayments	11	**5,029**	6,711	**10**	10
Contract assets	12	**37,245**	47,785	**-**	-
Amount owing by subsidiaries	13	**-**	-	**32,933**	40,179
Amount owing by joint venture	14	**2,130**	2,130	**-**	-
Current tax assets		**4,957**	4,228	**21**	47
Short-term investments	15	**86,191**	85,523	**35,402**	25,798
Fixed deposits with licensed banks	16	**30,713**	28,940	**-**	-
Cash and bank balances		**10,765**	15,750	**583**	969
		186,339	206,263	**68,949**	67,003
TOTAL ASSETS		**289,406**	317,512	**157,125**	147,179

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

STATEMENTS OF FINANCIAL POSITION

at 30 June 2021

(Cont'd)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	**149,385**	149,385	**149,368**	149,368
Merger deficit	18	**(80,802)**	(80,802)	**-**	-
Retained profits/ (Accumulated losses)		**107,126**	94,977	**7,355**	(2,637)
Fair value reserve	19	**15**	(164)	**19**	22
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**175,724**	163,396	**156,742**	146,753
NON-CONTROLLING INTERESTS	5	**(119)**	(80)	**-**	-
TOTAL EQUITY		**175,605**	163,316	**156,742**	146,753
NON-CURRENT LIABILITIES					
Long-term borrowings	20	**16,780**	31,053	**-**	-
Leases liabilities	21	**469**	830	**-**	-
Deferred tax liabilities	22	**36**	409	**-**	-
		17,285	32,292	**-**	-
CURRENT LIABILITIES					
Trade payables	24	**32,587**	34,021	**-**	-
Other payables and accruals	25	**42,472**	70,431	**374**	363
Current tax liabilities		**6,801**	7,027	**9**	63
Short-term borrowings	26	**14,101**	10,000	**-**	-
Lease liabilities	21	**555**	425	**-**	-
		96,516	121,904	**383**	426
TOTAL LIABILITIES		**113,801**	154,196	**383**	426
TOTAL EQUITY AND LIABILITIES		**289,406**	317,512	**157,125**	147,179

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 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
REVENUE	27	**165,252**	373,856	**10,000**	5,000
COST OF SALES	28	**(129,656)**	(336,176)	**-**	-
GROSS PROFIT		**35,596**	37,680	**10,000**	5,000
OTHER INCOME	29	**2,595**	5,144	**607**	1,268
		38,191	42,824	**10,607**	6,268
ADMINISTRATIVE EXPENSES	30	**(14,577)**	(14,748)	**(761)**	(675)
OTHER EXPENSES	31	**(2,720)**	(3,396)	**-**	(3,689)
FINANCE COSTS	32	**(1,706)**	(3,684)	**-**	-
NET REVERSAL/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	33	**1,815**	(2,509)	**1,324**	(3,586)
SHARE OF LOSSES OF EQUITY ACCOUNTED JOINT VENTURE		**(1,638)**	(64)	**-**	-
PROFIT/(LOSS) BEFORE TAXATION		**19,365**	18,423	**11,170**	(1,682)
INCOME TAX EXPENSE	34	**(6,086)**	(6,874)	**(9)**	(157)
PROFIT/(LOSS) AFTER TAXATION		**13,279**	11,549	**11,161**	(1,839)
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Fair value changes of equity investments		**179**	(201)	**(3)**	3
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		**13,458**	11,348	**11,158**	(1,836)

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

for the Financial Year Ended 30 June 2021

(Cont'd)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**13,318**	12,933	**11,161**	(1,839)
Non-controlling interests		**(39)**	(1,384)	**-**	-
		13,279	11,549	**11,161**	(1,839)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		**13,497**	12,732	**11,158**	(1,836)
Non-controlling interests		**(39)**	(1,384)	**-**	-
		13,458	11,348	**11,158**	(1,836)
EARNINGS PER SHARE (SEN)					
- Basic	35	**5.69**	5.53		
- Diluted	35	**5.69**	5.53		

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

The Group	Note	Share Capital RM'000	Merger Deficit 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 RM'000
Balance at 1.7.2019		149,385	(80,802)	37	88,593	157,213	944	158,157
Profit after taxation for the financial year		-	-	-	12,933	12,933	(1,384)	11,549
Other comprehensive income for the financial year:								
- Fair value changes of equity investments		-	-	(201)	-	(201)	-	(201)
Total comprehensive income for the financial year		-	-	(201)	12,933	12,732	(1,384)	11,348
Contributions by and distributions to owners of the Company:								
- Dividend by the Company	36	-	-	-	(6,549)	(6,549)	-	(6,549)
- Issuance of shares		-	-	-	-	-	360	360
Total transactions with owners		-	-	-	(6,549)	(6,549)	360	(6,189)
Balance at 30.6.2020		149,385	(80,802)	(164)	94,977	163,396	(80)	163,316

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 30 June 2021

(Cont'd)

The Group	Note	Share Capital RM'000	Merger Deficit 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 RM'000
Balance at 30.6.2020/1.7.2020		**149,385**	**(80,802)**	**(164)**	**94,977**	**163,396**	**(80)**	**163,316**
Profit after taxation for the financial year		**-**	**-**	**-**	**13,318**	**13,318**	**(39)**	**13,279**
Other comprehensive income for the financial year:								
- Fair value changes of equity investments		**-**	**-**	**179**	**-**	**179**	**-**	**179**
Total comprehensive income for the financial year		**-**	**-**	**179**	**13,318**	**13,497**	**(39)**	**13,458**
Contributions by and distributions to owners of the Company:								
- Dividend by the Company	36	**-**	**-**	**-**	**(1,169)**	**(1,169)**	**-**	**(1,169)**
Total transactions with owners		**-**	**-**	**-**	**(1,169)**	**(1,169)**	**-**	**(1,169)**
Balance at 30.6.2021		**149,385**	**(80,802)**	**15**	**107,126**	**175,724**	**(119)**	**175,605**

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 30 June 2021

(Cont'd)

The Company	Note	Share Capital RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.7.2019		149,368	19	2,251	151,638
Loss after taxation for the financial year		-	-	(1,839)	(1,839)
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		-	3	-	3
Total comprehensive expenses for the financial year		-	3	(1,839)	(1,836)
Contributions by and distributions to owners of the Company:					
- Dividend	36	-	-	(3,049)	(3,049)
Total transactions with owners		-	-	(3,049)	(3,049)
Balance at 30.6.2020/1.7.2020		**149,368**	**22**	**(2,637)**	**146,753**
Profit after taxation for the financial year		**-**	**-**	**11,161**	**11,161**
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		**-**	**(3)**	**-**	**(3)**
Total comprehensive income for the financial year		**-**	**(3)**	**11,161**	**11,158**
Contributions by and distributions to owners of the Company:					
- Dividend	36	**-**	**-**	**(1,169)**	**(1,169)**
Total transactions with owners		**-**	**-**	**(1,169)**	**(1,169)**
Balance at 30.6.2021		**149,368**	**19**	**7,355**	**156,742**

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

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 30 June 2021

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	**19,365**	18,423	**11,170**	(1,682)
Adjustments for:-				
Depreciation of property, plant and equipment	**6,843**	6,759	**-**	-
Depreciation of right-of-use assets	**668**	335	**-**	-
Impairment loss on investment in subsidiaries	**-**	-	**-**	3,689
Impairment loss on:				
- property, plant and equipment	**1,638**	2,357	**-**	-
- trade receivables	**537**	2,565	**-**	-
- amount owing by subsidiaries	**-**	-	**-**	3,586
Interest income	**(2,037)**	(3,541)	**(607)**	(1,088)
Interest expense	**1,706**	3,684	**-**	-
Gain on disposal of property, plant and equipment	**(1)**	(72)	**-**	-
Reversal of impairment loss on:				
- trade receivables	**(2,352)**	(6)	**-**	-
- other receivables	**-**	(50)	**-**	-
- amount owing by subsidiaries	**-**	-	**(1,324)**	-
Share of results in joint venture	**1,638**	64	**-**	-
Unrealised gain on foreign exchange, net	**(22)**	(2)	**-**	-
Fair value changes of short-term investment	**179**	(201)	**(3)**	3
Operating profit before working capital changes	**28,162**	30,315	**9,236**	4,508
Decrease in contract assets	**10,540**	31,097	**-**	-
Decrease in trade and other receivables	**9,384**	57,158	**-**	10
(Decrease)/Increase in trade and other payables	**(29,393)**	(45,180)	**11**	64
CASH FROM OPERATIONS	**18,693**	73,390	**9,247**	4,582
Interest paid	**(1,706)**	(3,684)	**-**	-
Income tax paid	**(7,414)**	(1,551)	**(37)**	(135)
NET CASH FROM OPERATING ACTIVITIES/BALANCE CARRIED FORWARD	**9,573**	68,155	**9,210**	4,447

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

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
BALANCE BROUGHT FORWARD		**9,573**	68,155	**9,210**	4,447
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in an existing subsidiary		**-**	-	**-**	(540)
Proceeds from disposal of property, plant and equipment		**1**	72	**-**	-
Dividend received		**-**	-	**-**	3,500
Interest received		**2,037**	3,541	**607**	1,088
Purchase of property, plant and equipment	37(a)	**(2,322)**	(2,215)	**-**	-
Repayment from subsidiaries		**-**	-	**570**	4,308
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(284)**	1,398	**1,177**	8,356
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid	36	**(1,169)**	(6,549)	**(1,169)**	(6,549)
Increase in placement of pledged deposits with licensed banks	37(c)	**(1,773)**	(2,930)	**-**	-
Proceeds from issuance of ordinary shares		**-**	360	**-**	-
Repayment to subsidiaries		**-**	-	**-**	(16,500)
Repayment of lease liabilities	37(b)	**(514)**	(306)	**-**	-
Repayment of term loans	37(b)	**(10,172)**	(9,938)	**-**	-
NET CASH FOR FINANCING ACTIVITIES		**(13,628)**	(19,363)	**(1,169)**	(23,049)
BALANCE CARRIED FORWARD		**(4,339)**	50,190	**9,218**	(10,246)

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

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 30 June 2021

(Cont'd)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
BALANCE BROUGHT FORWARD/NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		**(4,339)**	50,190	**9,218**	(10,246)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**22**	2	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**101,273**	51,081	**26,767**	37,013
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37(c)	**96,956**	101,273	**35,985**	26,767

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

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Third Floor, No. 77, 79 & 81, 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 20 October 2021.

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 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed 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. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(b) Impairment of Property, Plant and Equipment, Right-of-use Assets and Investment in Joint Venture

The Group determines whether its property, plant and equipment, right-of-use assets and investment in joint venture are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment, right-of-use assets and investment in joint venture as at the reporting date are disclosed in Notes 6, 7 and 8 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 10 and 12 to the financial statements.

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables, amount owing by subsidiaries and amount owing by joint venture as at the reporting date are disclosed in Notes 11, 13 and 14 to the financial statements.

(e) Revenue Recognition for Construction Contracts

(i) Hook up, Construction and Commissioning

The Group recognises construction revenue by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the value transferred by the Group to the customer to the satisfaction of the performance obligation. Significant judgement is required in determining the progress of the construction contract. In making the judgement, the Group relies on survey of works performed by the customers. The carrying amount of the contract assets as at the reporting date is disclosed in Note 12 to the financial statements.

(ii) Civil Construction

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to-date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amount of contract assets as at the reporting date is disclosed in Note 12 to the financial statements.

(f) 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 period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date are RM4,957,851 and RM6,801,397 (2020 - RM4,227,539 and RM7,026,500) respectively.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In determining the incremental borrowing rate of the respective leases, the Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

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.

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.

(a) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

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.

(b) 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.

(c) 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.

(d) 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 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 BUSINESS COMBINATION UNDER COMMON CONTROL

A business combination involving entity under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party or 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 and previous financial years.

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 reverse as applicable. The results of the subsidiaries being merged are included for the full financial year.

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) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange 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 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 (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). 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.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at 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. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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.

(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.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 2021. 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 investment 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. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

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.

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 9. 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 remeasured 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

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

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.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a 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%
Furniture and fittings	20%
Operation tools and equipment	20%
Office equipment	20%
Motor vehicles	20%
Plant and equipment	10%
Renovation	20%
Vessels	4%
Others	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. Any changes are accounted for as a change in estimate.

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.

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 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.10 CONTRACT ASSET AND CONTRACT LIABILITIY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.11 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.

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 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 an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines 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. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata 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.

4.13 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 discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 EMPLOYEE BENEFITS (CONT'D)

(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.

4.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill 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 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 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 the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or 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 (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 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, unless the probability of outflow of economic benefits is remote. 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 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.

4.18 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.

4.19 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

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

4.20 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 asset 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACT WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs and output by reference to the construction progress on the survey of works performed by the customers. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

(b) Rendering of Services

Revenue is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. The Group recognises revenue based on the actual labour hours spent relative to the total expected labour hours.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME (CONT'D)

(c) Rental Income

Rental income from property, plant and equipment is accounted for on a straight-line method over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	**101,803**	93,803
Allowance for impairment losses	**(13,627)**	(13,627)
	88,176	80,176
Allowance for impairment losses:-		
At 1 July	**(13,627)**	(9,938)
Addition during the financial year	**-**	(3,689)
At 30 June	**(13,627)**	(13,627)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Carimin Sdn. Bhd.	Malaysia	**100**	100	Providing manpower supply services.
Carimin Engineering Services Sdn. Bhd.	Malaysia	**100**	100	Construction, offshore hook up and commissioning and topside major maintenance services.
Carimin Equipment Management Sdn. Bhd.	Malaysia	**100**	100	Management of fabrication yards and equipment rental services.
Carimin Corporate Services Sdn. Bhd.	Malaysia	**100**	100	Providing corporate and management services.
Carimin Marine Services Sdn. Bhd.	Malaysia	**100**	100	Providing chartering of offshore support vessel.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Carimin Resources Services Sdn. Bhd.	Malaysia	**60**	60	Dormant.
Carimin Airis Offshore Sdn. Bhd.*	Malaysia	**100**	100	Providing chartering of offshore support vessel.
Carimin Acacia Offshore Sdn. Bhd.*	Malaysia	**100**	100	Providing chartering of offshore support vessel.
Carimin Bina Sdn. Bhd.	Malaysia	**60**	60	General contracting work and geotechnical engineering.
Carimin Subsea Sdn. Bhd.	Malaysia	**60**	60	Provision for subsea services.
Fazu Resources (M) Sdn. Bhd.**	Malaysia	**100**	100	Dormant.

* *These subsidiaries' interests are held by Carimin Marine Services Sdn. Bhd.*
** *The subsidiary's interest is held by Carimin Engineering Services Sdn. Bhd.*

(a) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment of Nil (2020 - RM3,688,918), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statements of profit or loss and other comprehensive income. The recoverable amounts were determined based on their value in use approach, and this is derived from the net assets position of the respective subsidiaries as at the end of the reporting period.

(b) During the financial year, Carimin Marine Services Sdn. Bhd., a 100% owned subsidiary of the Company increased its issued and paid-up share capital from RM1,000,000 to RM9,000,000 by the issuance of 8,000,000 ordinary shares for a total consideration of RM8,000,000 other than cash.

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

	Effective Equity Interest 2021 %	2020 %	The Group 2021 RM'000	2020 RM'000
Carimin Bina Sdn. Bhd.	**40**	40	**298**	387
Carimin Resources Services Sdn. Bhd.	**40**	40	**122**	129
Carimin Subsea Sdn. Bhd.	**40**	40	**(539)**	(596)
			(119)	(80)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Carimin Bina Sdn. Bhd. 2021 RM'000	Carimin Bina Sdn. Bhd. 2020 RM'000
At 30 June		
Non-current assets	**-**	-
Current assets	**3,088**	5,732
Non-current liabilities	**-**	-
Current liabilities	**(2,342)**	(4,764)
Net assets	**746**	968
Financial Year Ended 30 June		
Revenue	**302**	1,693
Loss for the financial year	**(222)**	(306)
Total comprehensive expenses	**(222)**	(306)
Total comprehensive expenses attributable to non-controlling interests	**(89)**	(122)

	Carimin Subsea Sdn. Bhd. 2021 RM'000	Carimin Subsea Sdn. Bhd. 2020 RM'000
At 30 June		
Non-current assets	**-**	-
Current assets	**1,535**	2,361
Non-current liabilities	**-**	-
Current liabilities	**(2,883)**	(3,851)
Net liabilities	**(1,348)**	(1,490)
Financial Year Ended 30 June		
Revenue	**-**	16,805
Profit/(loss) for the financial year	**142**	(3,143)
Total comprehensive income/(expenses)	**142**	(3,143)
Total comprehensive income/(expenses) attributable to non-controlling interests	**57**	(1,257)

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2020 RM'000	Additions (Note 37(a)) RM'000	Depreciation Charges (Notes 28 and 31) RM'000	Impairment Loss (Note 31) RM'000	At 30.6.2021 RM'000
2021					
Carrying Amount					
Freehold land	225	-	-	-	225
Buildings	5,000	-	(431)	-	4,569
Furniture and fittings	203	-	(9)	-	194
Operation tools and equipment	59	23	(29)	-	53
Office equipment	115	84	(50)	-	149
Motor vehicles	24	90	(14)	-	100
Renovation	395	-	(347)	-	48
Vessels	97,492	1,906	(5,848)	(1,638)	91,912
Others#	428	219	(115)	-	532
	103,941	2,322	(6,843)	(1,638)	97,782

Others includes computers and telecommunication equipment.

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

The Group	At 1.7.2019 RM'000	Additions (Note 37(a)) RM'000	Depreciation Charges (Notes 28 and 31) RM'000	Impairment Loss (Note 31) RM'000	At 30.6.2020 RM'000
2020					
Carrying Amount					
Freehold land	225	-	-	-	225
Buildings	5,797	-	(431)	(366)	5,000
Furniture and fittings	213	2	(12)	-	203
Operation tools and equipment	85	-	(26)	-	59
Office equipment	80	73	(38)	-	115
Motor vehicles	106	-	(82)	-	24
Renovation	742	-	(347)	-	395
Vessels	103,504	1,733	(5,754)	(1,991)	97,492
Others#	90	407	(69)	-	428
	110,842	2,215	(6,759)	(2,357)	103,941

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	Carrying Amount RM'000
2021				
Freehold land	**225**	**-**	**-**	**225**
Buildings	**9,820**	**(4,885)**	**(366)**	**4,569**
Furniture and fittings	**781**	**(587)**	**-**	**194**
Operation tools and equipment	**6,446**	**(5,934)**	**(459)**	**53**
Office equipment	**902**	**(628)**	**(125)**	**149**
Motor vehicles	**1,122**	**(1,022)**	**-**	**100**
Plant and equipment	**923**	**(507)**	**(416)**	**-**
Renovation	**2,213**	**(2,135)**	**(30)**	**48**
Vessels	**147,020**	**(34,559)**	**(20,549)**	**91,912**
Others	**1,842**	**(1,155)**	**(155)**	**532**
	171,294	**(51,412)**	**(22,100)**	**97,782**
2020				
Freehold land	225	-	-	225
Buildings	9,820	(4,454)	(366)	5,000
Furniture and fittings	781	(578)	-	203
Operation tools and equipment	6,423	(5,905)	(459)	59
Office equipment	818	(578)	(125)	115
Motor vehicles	1,032	(1,008)	-	24
Plant and equipment	923	(507)	(416)	-
Renovation	2,213	(1,788)	(30)	395
Vessels	145,114	(28,711)	(18,911)	97,492
Others	1,623	(1,040)	(155)	428
	168,972	(44,569)	(20,462)	103,941

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

(a) Included in the carrying amount of property, plant and equipment of the Group at the end of the reporting period are the following assets charged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.

	The Group	
	2021 RM'000	2020 RM'000
Buildings	**3,528**	3,902
Vessels	**91,912**	97,492
	95,440	101,394

(b) During the financial year, the Group has carried out a review of the recoverable amount of its building. An impairment loss of Nil (2020 - RM366,771), representing the write-down of the building to the recoverable amount was recognised in Other Expenses of the statements of profit or loss and other comprehensive income as disclosed in Note 31 to the financial statements. The recoverable amount was based on its value in use.

(c) During the financial year, the Group has carried out a review of the recoverable amount of its vessels. An impairment loss of RM1,637,979 (2020 - RM1,990,800), representing the write-down of the vessels to the recoverable amount was recognised in the statements of profit or loss and other comprehensive income as disclosed in Note 31 to the financial statements, determined based on fair value less cost to sell approach.

The fair values of the vessels have been assessed by an independent professional valuer. The valuation of the vessels was performed by the independent valuer using the market approach, including consideration of the recent market transaction of vessels of similar type and age.

7. RIGHT-OF-USE ASSETS

The Group	At 1.7.2020 RM'000	Reassessment of Lease Liabilities (Note 37(b)) RM'000	Depreciation Charges (Notes 28 and 31) RM'000	At 30.6.2021 RM'000
2021				
Carrying Amount				
Leasehold land	**1,764**	**-**	**(48)**	**1,716**
Buildings	**829**	**283**	**(437)**	**675**
Operation tools and equipment	**292**	**-**	**(97)**	**195**
Motor vehicles	**152**	**-**	**(86)**	**66**
	3,037	**283**	**(668)**	**2,652**

7. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1.7.2019 RM'000	Additions (Note 37(b)) RM'000	Depreciation Charges (Notes 28 and 31) RM'000	Others - Reversal (Note 22) RM'000	At 30.6.2020 RM'000
2020					
Carrying Amount					
Leasehold land	2,038	-	(48)	(226)	1,764
Buildings	-	932	(103)	-	829
Operation tools and equipment	390	-	(98)	-	292
Motor vehicles	238	-	(86)	-	152
	2,666	932	(335)	(226)	3,037

The Group leases certain pieces of leasehold land, building, operation tools and equipment and motor vehicles of which the leasing activities are summarised below:-

i. Leasehold land	The Group has entered into 2 (2020 - 2) non-cancellable operating lease agreements for the use of land. The leases are for a period of 60 (2020 - 60) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy, is however, allowed with the consent of the lessor.
ii. Buildings	The Group leased office buildings for 3 years, with an option to extend for another one year.
iii. Motor vehicles and operation tools and equipment	The Group has leased its motor vehicles and operation tools and equipment under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the assets at the expiry of the lease period at an insignificant amount.

8. INVESTMENT IN JOINT VENTURE

	The Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	**1,500**	1,500
Share of post-acquisition profits	**1,083**	2,721
	2,583	4,221

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business	Percentage of Ownership held by Company 2021	Company 2020	Subsidiary 2021	Subsidiary 2020	Principal Activities
Synergy Kenyalang Offshore Sdn. Bhd.* ("SKO")	Malaysia	**-**	-	**15%**	15%	Providing chartering of offshore support vessel.

- *Not audited by Crowe Malaysia PLT

(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 2020 to 30 June 2021 respectively.

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

	2021 RM'000	2020 RM'000
At 30 June		
Non-current assets	**44,440**	48,980
Current assets	**1,951**	11,979
Non-current liabilities	**(10,069)**	(10,922)
Current liabilities	**(18,429)**	(21,221)
Net assets	**17,893**	28,816
12-month Period Ended 30 June		
Revenue	**1,155**	16,964
Loss for the financial year	**(10,923)**	(427)
Total comprehensive expenses	**(10,923)**	(427)
Group's share of loss for the financial year/total comprehensive expenses	**(1,638)**	(64)
Carrying amount of the Group's interest in this joint venture	**2,583**	4,221

9. OTHER INVESTMENTS

	The Group	
	2021 RM'000	2020 RM'000
Investment in club membership, at fair value	**50**	50

The Group has designated its investment in club membership at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

10. TRADE RECEIVABLES

	The Group	
	2021 RM'000	2020 RM'000
Third parties	**11,319**	20,025
Allowance for impairment losses	**(2,010)**	(4,829)
	9,309	15,196
Allowance for impairment losses:-		
At 1 July	**(4,829)**	(2,270)
Addition during the financial year (Note 33)	**(537)**	(2,565)
Reversal during the financial year (Note 33)	**2,352**	6
Written off during the financial year	**1,004**	-
At 30 June	**(2,010)**	(4,829)

The Group's normal trade credit terms range from 30 to 60 (2020 - 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	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other receivables:-					
Third parties		**935**	1,021	**-**	-
Goods and services tax recoverable		**3**	3	**-**	-
		938	1,024	**-**	-
Allowance for impairment losses		**(750)**	(750)	**-**	-
		188	274	**-**	-
Advances	(a)	**4,128**	5,656	**-**	-
Deposits		**74**	273	**-**	-
Prepayments		**639**	508	**10**	10
		5,029	6,711	**10**	10

(a) Being advance payments to suppliers for purchase of goods/materials.

	The Group	
	2021 RM'000	2020 RM'000
Allowance for impairment losses:-		
At 1 July	**(750)**	(800)
Reversal during the financial year (Note 33)	**-**	50
At 30 June	**(750)**	(750)

12. CONTRACT ASSETS

	The Group	
	2021 RM'000	2020 RM'000
Contract assets relating to construction contracts	**37,245**	47,785

(a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be invoiced within 6 (2020 - 6) months.

(b) Included in the contract assets are retention sum receivables totalling RM1,184,453 (2020 - RM1,324,040). The retention sums represent a portion of progress billings which are due and receivable upon expiry of the warranty period and the satisfaction of conditions specified in the relevant contracts.

12. CONTRACT ASSETS (CONT'D)

(c) The changes to contract asset balances during the financial year are summarised below:-

	The Group	
	2021 RM'000	2020 RM'000
At 1 July	**47,785**	78,882
Revenue recognised in profit or loss during the financial year	**165,252**	373,856
Billings to customers during the financial year	**(175,792)**	(404,953)
At 30 June	**37,245**	47,785
Represented by:-		
Contract assets	**37,245**	47,785
Contract liabilities	**-**	-
	37,245	47,785

13. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Current		
Non-trade balances	**37,263**	45,833
Allowance for impairment losses	**(4,330)**	(5,654)
	32,933	40,179
Allowance for impairment losses:-		
At 1 July	**(5,654)**	(2,068)
Addition during the financial year (Note 33)	**-**	(3,586)
Reversal during the financial year (Note 33)	**1,324**	-
At 30 June	**(4,330)**	(5,654)

The non-trade balances represent unsecured payments made on behalf. The amount owing is repayable on demand and is to be settled in cash.

14. 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.

15. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Money market fund, at fair value (Note 37(c))	**86,191**	85,523	**35,402**	25,798

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 1.82% to 3.28% (2020 - 3.11% to 3.62%) per annum respectively.

16. FIXED DEPOSITS WITH LICENSED BANKS

(a) Included in fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM30,657,500 (2020 - RM28,886,085) which are pledged to licensed banks as security for banking facilities granted to the Group. The fixed deposits bore effective interest rates ranging from 1.30% to 3.10% (2020 - 1.55% to 3.26%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2020 - 30 to 365) days.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM55,481 (2020 - RM54,150) which is with tenure more than 3 months.

17. SHARE CAPITAL

	2021	2020	2021	2020
	Number of Shares ('000)		RM'000	RM'000
Issued and Fully Paid-Up				
The Group				
Ordinary Shares				
At 1 July/30 June	**233,878**	233,878	**149,385**	149,385
The Company				
Ordinary Shares				
At 1 July/30 June	**233,878**	233,878	**149,368**	149,368

The holders of ordinary 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. The ordinary shares have no par value.

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. FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments mandatorily at fair value through other comprehensive income.

20. LONG-TERM BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
Term loans (Note 23)	**16,780**	31,053

21. LEASE LIABILITIES

	The Group	
	2021 RM'000	2020 RM'000
At 1 July	**1,255**	629
Additions (Note 37(b))	**-**	932
Changes due to reassessment of lease (Note 7 and Note 37(b))	**283**	-
Interest expense recognised in profit or loss (Note 37(b))	**56**	42
Repayment of principal	**(514)**	(306)
Repayment of interest expense	**(56)**	(42)
At 30 June	**1,024**	1,255
Analysed by:-		
Current liabilities	**555**	425
Non-current liabilities	**469**	830
	1,024	1,255

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements as disclose in Note 7 to the financial statements, with lease terms ranging from 4 to 5 years and bear effective interest rates ranging from 4.52% to 7.07%.

22. DEFERRED TAX LIABILITIES

The Group	At 1.7.2020 RM'000	Recognised in Profit or Loss (Note 34) RM'000	At 30.6.2021 RM'000
2021			
Deferred Tax Liabilities			
Property, plant and equipment	**436**	**(373)**	**63**
Deferred Tax Assets			
Allowance for impairment losses on trade receivables	**(27)**	**-**	**(27)**
	409	**(373)**	**36**

	At 1.7.2019 RM'000	Recognised in Profit or Loss (Note 34) RM'000	Others - Reversal (Note 7) RM'000	At 30.6.2020 RM'000
2020				
Deferred Tax Liabilities				
Property, plant and equipment	783	(121)	(226)	436
Deferred Tax Assets				
Allowance for impairment losses on trade receivables	(27)	-	-	(27)
	756	(121)	(226)	409

23. TERM LOANS (SECURED)

	The Group	
	2021 RM'000	2020 RM'000
Current liabilities (Note 26)	**14,101**	10,000
Non-current liabilities (Note 20)	**16,780**	31,053
	30,881	41,053

The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate %	The Group	
		2021 RM'000	2020 RM'000
Floating rate term loans	4.45 - 8.60	**30,881**	41,053

The term loans are secured by:-

(i) a deposit of sinking fund to be built up by a monthly payment of RM104,000 up to a maximum amount of RM8,100,000;
(ii) legal charges over certain buildings and vessels as disclosed in Note 6 to the financial statements;
(iii) an assignment over the Collection Accounts over certain contract proceeds;
(iv) letters of set-off and Memorandum of Deposit against sinking funds account and subordination of debts;
(v) pledges of fixed deposits as disclosed in Note 16 to the financial statements;
(vi) letters of Negative Pledge executed by certain subsidiaries of the Group;
(vii) a first preferred mortgage on the vessels;
(viii) a first fixed and floating charge by way of Debenture on the present and future assets of two subsidiaries inclusive of their vessels;
(ix) insurance policy assignments on the vessels;
(x) corporate guarantees of the Company;
(xi) irrecoverable and unconditional letter of undertaking by a subsidiary;
(xii) an assignment of contract proceeds in respect of charter contract;
(xiii) an assignment of contract proceeds from the Time Charter Party Contract; and
(xiv) negative pledge over its vessel requiring prior written consent in form and substance acceptable to the financial institution.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2020 - 30 to 60) days.

25. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other payables	**470**	1,075	**8**	20
Accruals	**41,985**	69,339	**366**	343
Deposits received	**17**	17	**-**	-
	42,472	70,431	**374**	363

26. SHORT-TERM BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
Term loans (Note 23)	**14,101**	10,000

27. REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from Contracts with Customers				
Revenue recognised over time				
Manpower services	**28,058**	46,625	**-**	-
Hook up, construction and commissioning	**97,570**	248,714	**-**	-
Civil construction	**302**	1,693	**-**	-
Marine services	**39,322**	76,824	**-**	-
	165,252	373,856	**-**	-
Revenue from Other Source				
Revenue recognised at a point in time				
Dividend income	**-**	-	**10,000**	5,000
	165,252	373,856	**10,000**	5,000

The other information on the disaggregation of revenue is disclosed in Note 41.1 to the financial statements.

28. COST OF SALES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included are the following items:				
Depreciation:				
- property, plant and equipment (Note 6)	**6,146**	6,028	**-**	-
- right-of-use assets (Note 7)	**534**	98	**-**	-
Rental of vehicles, yard and others	**261**	371	**-**	-
Staff costs:				
- salaries and others	**23,328**	28,044	**-**	-
- defined contribution plan	**1,292**	1,585	**-**	-

29. OTHER INCOME

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included are the following items:				
Gain on disposal of property, plant and equipment	**1**	72	**-**	-
Gain on foreign exchange:				
- realised	**5**	27	**-**	-
- unrealised	**192**	17	**-**	-
Interest income:				
- fixed deposits	**435**	659	**-**	-
- repo	**20**	60	**7**	22
- short-term investments	**1,449**	2,534	**567**	1,007
- others	**133**	288	**33**	59
Rental income	**66**	66	**-**	-
Management fees	**-**	-	**-**	180

30. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included are the following items:				
Auditors' remuneration:				
- audit fees:				
- current financial year	**222**	222	**45**	45
- non-audit fees	**13**	13	**13**	13
Contributions to defined contribution plan (Note 38):				
- directors of the Company	**179**	170	**-**	-
- directors of the subsidiaries	**17**	15	**-**	-
Directors' fees (Note 38):				
- directors of the Company	**451**	451	**295**	295
- directors of the subsidiaries	**24**	24	**-**	-
Directors' non-fees emoluments (Note 38):				
- directors of the Company	**1,450**	1,638	**25**	20
- directors of the subsidiaries	**146**	123	**-**	-
Staff costs:				
- salaries and others	**9,166**	8,555	**-**	-
- defined contribution plan	**1,063**	971	**-**	-

31. OTHER EXPENSES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included are the following items:				
Depreciation:				
- property, plant and equipment (Note 6)	**697**	731	**-**	-
- right-of-use assets (Note 7)	**134**	237	**-**	-
Impairment loss:				
- investments in subsidiaries (Note 5)	**-**	-	**-**	3,689
- property, plant and equipment (Note 6)	**1,638**	2,357	**-**	-
Loss on foreign exchange:				
- realised	**81**	56	**-**	-
- unrealised	**170**	15	**-**	-
	2,720	3,396	**-**	3,689

32. FINANCE COSTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense:				
- bank overdrafts	**10**	26	**-**	-
- term loans	**1,541**	3,379	**-**	-
- others	**99**	237	**-**	-
- lease liabilities (Note 21)	**56**	42	**-**	-
	1,706	3,684	**-**	-

33. NET REVERSAL/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment losses:				
- trade receivables (Note 10)	**(537)**	(2,565)	**-**	-
- amount owing by subsidiaries (Note 13)	**-**	-	**-**	(3,586)
Reversal of impairment losses:				
- trade receivables (Note 10)	**2,352**	6	**-**	-
- other receivables (Note 11)	**-**	50	**-**	-
- amount owing by subsidiaries (Note 13)	**-**	-	**1,324**	-
	1,815	(2,509)	**1,324**	(3,586)

34. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
- for the current financial year	**6,701**	7,027	**9**	62
- (over)/underprovision in the previous financial year	**(242)**	(32)	**-**	95
	6,459	6,995	**9**	157
Deferred tax (Note 22):				
- origination and recognition of temporary differences	**(213)**	(125)	**-**	-
- (over)/underprovision in the previous financial year	**(160)**	4	**-**	-
	(373)	(121)	**-**	-
	6,086	6,874	**9**	157

34. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before taxation	**19,365**	18,423	**11,170**	(1,682)
Tax at the statutory tax rate of 24%	**4,648**	4,422	**2,681**	(404)
Tax effects of:-				
Share of results in joint venture	**393**	15	**-**	-
Non-taxable income	**(666)**	(608)	**(2,854)**	(1,442)
Non-deductible expenses	**348**	256	**182**	1,908
Deferred tax assets not recognised during the financial year	**2,356**	2,904	**-**	-
Utilisation of deferred tax assets previously not recognised	**(591)**	(87)	**-**	-
(Over)/underprovision in the previous financial year:				
- current tax	**(242)**	(32)	**-**	95
- deferred tax	**(160)**	4	**-**	-
	6,086	6,874	**9**	157

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year.

34. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets were recognised for the following items:

	The Group	
	2021 RM'000	2020 RM'000
Accelerated capital allowances	**(70,364)**	(64,661)
Unrealised gain on foreign exchange	**(25)**	(10)
Allowance for impairment losses on trade receivables	**14,612**	15,276
Allowance for impairment losses on property, plant and equipment	**22,240**	20,602
Unutilised tax losses	**9,673**	8,007
Unabsorbed capital allowances	**100,665**	90,232
	76,801	69,446

Subject to the agreement of the Inland Revenue Board, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately RM9,673,000 (2020 - RM8,007,000) and RM100,665,000 (2020 - RM90,232,000) respectively which are available to offset against their future taxable profit.

The unutilised tax losses expire at the end of the year of assessment 2025 but the unabsorbed capital allowances can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

35. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit 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	
	2021	2020
Profit attributable to owners of the Company (RM)	**13,318,000**	12,933,000
Weighted average number of ordinary shares at 30 June	**233,878,000**	233,878,000
Basic earnings per share (sen)	**5.69**	5.53

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

36. DIVIDEND

	The Group	
	2021 RM'000	2020 RM'000
First interim dividend of 1.2 sen per ordinary share in respect of the previous financial year	**-**	2,807
Second interim dividend of 1.6 sen per ordinary share in respect of the previous financial year	**-**	3,742
First interim dividend of 0.5 sen per ordinary share in respect of the current financial year	**1,169**	-
	1,169	6,549

37. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2021 RM'000	2020 RM'000
Cost of property, plant and equipment purchased (Note 6)	**2,322**	2,215
Less: Amount financed through borrowings	**-**	-
Cash disbursed for purchase of property, plant and equipment	**2,322**	2,215

37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM'000	Lease Liabilities RM'000	Total RM'000
2021			
At 1 July	**41,053**	**1,255**	**42,308**
Changes in Financing Cash Flows			
Repayment of borrowing principal	**(10,172)**	**(514)**	**(10,686)**
Repayment of borrowing interests	**(1,541)**	**(56)**	**(1,597)**
	(11,713)	**(570)**	**(12,283)**
Non-cash Changes			
Finance charges recognised in profit or loss (Note 32)	**1,541**	**56**	**1,597**
Modification of leases (Note 7 and 21)	**-**	**283**	**283**
	1,541	**339**	**1,880**
At 30 June	**30,881**	**1,024**	**31,905**
2020			
At 1 July	50,991	629	51,620
Changes in Financing Cash Flows			
Repayment of borrowing principal	(9,938)	(306)	(10,244)
Repayment of borrowing interests	(3,379)	(42)	(3,421)
	(13,317)	(348)	(13,665)
Non-cash Changes			
Finance charges recognised in profit or loss (Note 32)	3,379	42	3,421
Acquisition of new leases (Note 21)	-	932	932
	3,379	974	4,353
At 30 June	41,053	1,255	42,308

37. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term investments (Note 15)	**86,191**	85,523	**35,402**	25,798
Fixed deposits with licensed banks (Note 16)	**30,713**	28,940	**-**	-
Cash and bank balances	**10,765**	15,750	**583**	969
	127,669	130,213	**35,985**	26,767
Less: Fixed deposits pledged to licensed banks (Note 16)	**(30,658)**	(28,886)	**-**	-
Fixed deposits with tenure more than 3 months (Note 16)	**(55)**	(54)	**-**	-
	96,956	101,273	**35,985**	26,767

38. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- fees	**156**	156	**-**	-
- non-fee emoluments	**1,425**	1,618	**-**	-
Defined contribution plan	**179**	170	**-**	-
	1,760	1,944	**-**	-
Non-executive Directors				
Short-term employee benefits:				
- fees	**295**	295	**295**	295
- non-fee emoluments	**25**	20	**25**	20
	320	315	**320**	315
	2,080	2,259	**320**	315
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fees	**24**	24	**-**	-
- non-fee emoluments	**146**	123	**-**	-
Defined contribution plan	**17**	15	**-**	-
	187	162	**-**	-
Total directors' remuneration (Note 30)	**2,267**	2,421	**320**	315

39. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amounts are not capable of reliable measurement.

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bank/Performance guarantee extended to third parties by:				
- subsidiaries	**35,644**	23,871	**-**	-

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 also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(i) Subsidiaries:				
- management fees	**-**	-	**-**	180
- interest income	**-**	-	**33**	59
- dividend from a subsidiary	**-**	-	**10,000**	5,000
(ii) Key management personnel compensation:				
- short-term employee benefits	**(2,267)**	(2,421)	**(320)**	(315)

Key management personnel comprises 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.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

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 five (5) main reportable segments as follows:-

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

- Construction, offshore hook up and commissioning and topside major maintenance ("CHUCTMM") - providing offshore hook up and commissioning on production platforms typically involving the final installation, testing and commissioning of the facilities' structures machinery and equipment.

- Marine services ("MS") - providing vessel chartering, underwater inspection, repair, and maintenance works and services to external customers.

- Civil construction ("CC") - providing general contracting work and geotechnical engineering to external customers.

- 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.

(a) The Managing Director assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2021							
Revenue							
External revenue	28,058	97,570	39,322	302	-	-	165,252
Inter-segment revenue	-	367	13,676	-	-	(14,043)	-
Total revenue	28,058	97,937	52,998	302	-	(14,043)	165,252
Results							
Segment results	1,128	24,136	(3,280)	(209)	9,959	(11,062)	20,672
Finance costs	(18)	(158)	(1,530)	(33)	-	33	(1,706)
Interest income	178	1,108	131	21	632	(33)	2,037
Share of result in joint venture	-	-	-	-	-	-	(1,638)
Profit before taxation							19,365
Income tax expense							(6,086)
Consolidated profit after taxation							13,279

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2021							
Assets							
Segment assets	84,381	125,464	175,754	3,021	161,553	(265,724)	284,449
Tax recoverable							4,957
Consolidated total assets							289,406
Liabilities							
Segment liabilities	18,161	70,975	198,152	2,342	6,125	(189,815)	105,940
Deferred tax liabilities							36
Provision for taxation							6,801
Lease liabilities							1,024
Consolidated total liabilities							113,801

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2021							
Capital expenditure							
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	-	330	1,906	-	86	-	2,322
2021							
Other material items of (income) / expenses consist of the following:							
Depreciation:							
- property, plant and equipment	548	355	5,850	-	90	-	6,843
- right-of-use assets	22	620	-	-	14	12	668
Impairment losses on:							
- trade receivables	-	51	210	224	52	-	537
- property, plant and equipment	-	-	1,638	-	-	-	1,638
Interest expense	18	158	1,530	33	-	(33)	1,706
Interest income	(178)	(1,108)	(131)	(21)	(632)	33	(2,037)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2020							
Revenue							
External revenue	46,625	248,732	76,806	1,693	-	-	373,856
Inter-segment revenue	109	834	37,332	-	-	(38,275)	-
Total revenue	46,734	249,566	114,138	1,693	-	(38,275)	373,856
Results							
Segment results	(2,683)	21,593	(6,182)	(303)	(5,844)	12,049	18,630
Finance costs	(113)	(224)	(3,347)	(59)	-	59	(3,684)
Interest income	276	1,927	229	38	1,130	(59)	3,541
Share of result in joint venture	-	-	-	-	-	-	(64)
Profit before taxation							18,423
Income tax expense							(6,874)
Consolidated profit after taxation							11,549

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2020							
Assets							
Segment assets	87,041	144,661	173,935	5,668	153,514	(251,535)	313,284
Tax recoverable							4,228
Consolidated total assets							317,512
Liabilities							
Segment liabilities	21,873	96,837	200,907	4,764	7,452	(186,328)	145,505
Deferred tax liabilities							409
Provision for taxation							7,027
Lease liabilities							1,255
Consolidated total liabilities							154,196

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2020							
Capital expenditure							
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	14	293	1,743	-	165	-	2,215
- right-of-use assets	-	932	-	-	-	-	932
2020							
Other material items of (income) / expenses consist of the following:							
Depreciation:							
- property, plant and equipment	616	331	5,754	-	58	-	6,759
- right-of-use assets	22	287	-	-	34	(8)	335
Impairment losses on:							
- trade receivables	156	-	2,122	287	-	-	2,565
- property, plant and equipment	-	366	1,991	-	-	-	2,357
Interest expense	113	224	3,347	59	-	(59)	3,684
Interest income	(276)	(1,927)	(229)	(38)	(1,130)	59	(3,541)

41. OPERATING SEGMENTS (CONT'D)

41.2 GEOGRAPHICAL SEGMENTS

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

41.3 MAJOR CUSTOMER

There is only one major customer with revenue equal to or more than 10% of the Group's total revenue:

	Revenue		Segment
	2021 RM'000	2020 RM'000	
Customer A	**118,538**	247,661	CHUCTMM Segment

42. CAPITAL COMMITMENTS

	The Group	
	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	**303**	358

43. 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.

43.1 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 currency other than the respective functional currencies of entities with the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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
2021	
Financial Assets	
Cash and bank balances	**4,066**
Currency exposure	**4,066**
2020	
Financial Assets	
Trade receivables	416
Cash and bank balances	286
	702
Financial Liabilities	
Trade payables	195
	195
Net financial assets	507
Currency exposure	507

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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	
	2021 RM'000	2020 RM'000
Effects on Profit/(Loss) After Taxation		
USD/RM		
- strengthened by 10%	**309**	38
- weakened by 10%	**(309)**	(38)

(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 long term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks and borrowings 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 16 and 23 to the financial statements.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Effects on Profit/ (Loss) After Taxation				
Increase of 100 basis points	**420**	650	**269**	196
Decrease of 100 basis points	**(420)**	(650)	**(269)**	(196)

(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 Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given 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 five (5) customers which constituted approximately 69% of its trade receivables (including related parties) at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to Credit Risk (Cont'd)

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any receivables having financial difficulty or in default with significant balances outstanding for more than one (1) year are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have low risk of default as they have a strong capacity to meet their debts.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2021				
Current (not past due)	7,670	-	(161)	7,509
1 to 30 days past due	163	-	-	163
31 to 60 days past due	29	-	-	29
61 to 90 days past due	202	-	(105)	97
More than 90 days past due	2,244	-	(733)	1,511
	10,308	-	(999)	9,309
Credit impaired	1,011	(1,011)	-	-
Trade receivables	11,319	(1,011)	(999)	9,309
Contract assets	37,245	-	-	37,245
	48,564	(1,011)	(999)	46,554

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:- (Cont'd)

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2020				
Current (not past due)	10,632	-	(219)	10,413
1 to 30 days past due	789	-	(53)	736
31 to 60 days past due	2,558	-	(207)	2,351
61 to 90 days past due	667	-	(140)	527
More than 90 days past due	1,241	-	(72)	1,169
	15,887	-	(691)	15,196
Credit impaired	4,138	(4,138)	-	-
Trade receivables	20,025	(4,138)	(691)	15,196
Contract assets	47,785	-	-	47,785
	67,810	(4,138)	(691)	62,981

The movements in the loss allowances in respect of trade receivables is disclosed in Note 10 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Generally, the Group considers the advances to other receivables have low credit risks.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowance calculated for the other receivables are summarised below:

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2021			
Low credit risk	**185**	**-**	**185**
Credit impaired	**750**	**(750)**	**-**
	935	**(750)**	**185**
2020			
Low credit risk	271	-	271
Credit impaired	750	(750)	-
	1,021	(750)	271

The movement in the loss allowances in respect of other receivables is disclosed in Note 11 to the financial statements.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by subsidiaries are summarised below:-

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2021			
Low credit risk	**37,263**	**(4,330)**	**32,933**
2020			
Low credit risk	45,833	(5,654)	40,179

The movements in the loss allowances is disclosed in Note 13 to the financial statements.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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.

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	Weighted Average Effective 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
2021						
Non-derivative Financial Liabilities						
Trade payables	-	**32,587**	**32,587**	**32,587**	-	-
Other payables and accruals	-	**42,472**	**42,472**	**42,472**	-	-
Lease liabilities	**4.52 - 7.07**	**1,024**	**1,067**	**587**	**480**	-
Term loans	**4.45 - 8.60**	**30,881**	**31,645**	**14,582**	**17,063**	-
		106,964	**107,771**	**90,228**	**17,543**	-
2020						
Non-derivative Financial Liabilities						
Trade payables	-	34,021	34,021	34,021	-	-
Other payables and accruals	-	70,431	70,431	70,431	-	-
Lease liabilities	4.52 - 7.07	1,255	1,338	470	868	-
Term loans	4.80 - 8.60	41,053	42,364	10,492	31,872	-
		146,760	148,154	115,414	32,740	-

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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):- (Cont'd)

The Company	Weighted Average Effective 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
2021						
Non-derivative Financial Liabilities						
Other payables and accruals	-	**374**	**374**	**374**	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	**66,810**	**66,810**	-	-
		374	**67,184**	**67,184**	-	-
2020						
Non-derivative Financial Liabilities						
Other payables and accruals	-	363	363	363	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	68,543	68,543	-	-
		363	68,906	68,906	-	-

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 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.

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

	The Group	
	2021 RM'000	2020 RM'000
Lease liabilities (Note 21)	**1,024**	1,255
Term loans (Note 23)	**30,881**	41,053
	31,905	42,308
Less: Short-term investments (Note 15)	**(86,191)**	(85,523)
Less: Fixed deposits with licensed banks (Note 16)	**(30,713)**	(28,940)
Less: Cash and bank balances	**(10,765)**	(15,750)
Net debt	**(95,764)**	(87,905)
Total equity	**175,724**	163,396
Debt-to-equity ratio	**N/A**	N/A

There was no change in the Group's approach to capital management during the financial year.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2021	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Short-term investments (Note 15)	86,191	35,402
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition		
Other investments (Note 9)	50	-
Amortised Cost		
Trade receivables (Note 10)	9,309	-
Other receivables (Note 11)	185	-
Amount owing by subsidiaries (Note 13)	-	32,933
Amount owing by joint venture (Note 14)	2,130	-
Fixed deposits with licensed banks (Note 16)	30,713	-
Cash and bank balances	10,765	583
	53,102	33,516
Financial Liability		
Amortised Cost		
Trade payables (Note 24)	32,587	-
Other payables and accruals (Note 25)	42,472	374
Lease liabilities (Note 21)	1,024	-
Term loans (Note 23)	30,881	-
	106,964	374

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2020	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Short-term investments (Note 15)	85,523	25,798
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition		
Other investments (Note 9)	50	-
Amortised Cost		
Trade receivables (Note 10)	15,196	-
Other receivables (Note 11)	271	-
Amount owing by subsidiaries (Note 13)	-	40,179
Amount owing by joint venture (Note 14)	2,130	-
Fixed deposits with licensed banks (Note 16)	28,940	-
Cash and bank balances	15,750	969
	62,287	41,148
Financial Liability		
Amortised Cost		
Trade payables (Note 24)	34,021	-
Other payables and accruals (Note 25)	70,431	363
Lease liabilities (Note 21)	1,255	-
Term loans (Note 23)	41,053	-
	146,760	363

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2021	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Net gain/(loss) recognised in other comprehensive income	**179**	**(3)**
Amortised Cost		
Net gain recognised in profit or loss	**1,815**	**1,324**

	2020	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Net (loss)/gain recognised in other comprehensive income	(201)	3
Amortised Cost		
Net loss recognised in profit or loss	(2,509)	(3,586)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 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 or repayable on demand terms.

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				
The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2021								
Financial Assets								
Other investments								
- club membership	-	**50**	-	-	-	-	**50**	**50**
Short-term investments								
- money market fund	-	**86,191**	-	-	-	-	**86,191**	**86,191**
Financial Liability								
Term loans	-	-	-	-	**30,881**	-	**30,881**	**30,881**

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value				
The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2020								
Financial Assets								
Other investments								
- club membership	-	50	-	-	-	-	50	50
Short-term investments								
- money market fund	-	85,523	-	-	-	-	85,523	85,523
Financial Liability								
Term loans	-	-	-	-	41,053	-	41,053	41,053

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2021								
Financial Asset								
Short-term investments								
- money market fund	**-**	**35,402**	**-**	**-**	**-**	**-**	**35,402**	**35,402**
2020								
Financial Asset								
Short-term investments								
- money market fund	-	25,798	-	-	-	-	25,798	25,798

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair value above have been determined using the following basis:-

(i) The fair value for golf club membership is estimated based on references to current available counterparty quotations of the same investments.

(ii) The fair value of money market fund is determined by reference to statements provided by the financial institutions, with which the investments were entered into.

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

(b) Fair Value of Financial Instruments not Carried at Fair Value

(i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate on or near the reporting date.

44. SIGNIFICANT EVENTS

Significant events during and subsequent to financial year are as follows:-

(a) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a global pandemic. Following the declaration, the Government of Malaysia had on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

(b) On 27 May 2021, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company or 233,878,000 shares ("Placement Shares"), at an issue price to be determined and announced at later date. The proposed private placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016. The Company has obtained approval from its shareholders for the 20% General Mandate at its Annual General Meeting held on 26 November 2020.

Bursa Malaysia had on 24 June 2021 approved the listing and quotation of the Placement Shares to be issued pursuant to the proposed private placement exercise.

ANALYSIS OF SHAREHOLDINGS

as at 23 September 2021

Total Number of Issued Shares	: 233,878,000 Ordinary Shares
Class of Equity Securities	: Ordinary Shares (“shares”)
Voting Rights by Poll	: One (1) vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	12	0.27	300	*
100 - 1,000 shares	631	14.42	390,100	0.17
1,001 - 10,000 shares	2,436	55.68	13,868,400	5.93
10,001 - 100,000 shares	1,163	26.58	37,192,600	15.90
100,001 - less than 5% of issued shares	131	3.00	112,756,366	48.21
5% and above of issued shares	2	0.05	69,670,234	29.79
Total	**4,375**	**100.00**	**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	57,751,734	24.69	-	-
Cipta Pantas Sdn. Bhd.	41,287,428	17.65	-	-
Wong Kong Foo	-	-	52,337,428[1]	22.38

Note:

1 Deemed interested by virtue of his shareholdings pursuant to Section 8 of the Companies Act 2016 (“the Act”) held through Intan Kuala Lumpur Sdn. Bhd., Cipta Pantas Sdn. Bhd. and Platinum Castle 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	2,000,000	0.86	-	-
Mokhtar Bin Hashim	57,751,734	24.69	-	-
Lim Yew Hoe	3,150,000	1.35	6,000,000[1]	2.57
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	-	-

Note:

1 Deemed interested by virtue of his shareholdings pursuant to Section 8 of the Act held through Emas Kiara Marketing Sdn. Bhd.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 23 SEPTEMBER 2021

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

No.	Name	No. of Shares Held	%
1	Mokhtar Bin Hashim	53,670,234	22.95
2	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for AmBank (M) Berhad for Cipta Pantas Sdn. Bhd.)	16,000,000	6.84
3	Cipta Pantas Sdn. Bhd.	11,410,128	4.88
4	Alliancegroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Platinum Castle Sdn. Bhd.)	9,000,000	3.85
5	Affin Hwang Nominees (Tempatan) Sdn.Bhd. (Pledged securities account for Cipta Pantas Sdn. Bhd.)	6,877,300	2.94
6	Shatar Bin Abdul Hamid	6,039,638	2.58
7	Cipta Pantas Sdn. Bhd.	4,500,000	1.92
8	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Deutsche Trustees Malaysia Berhad for Hong Leong Dividend Fund)	4,000,000	1.71
9	Maybank Nominees (Tempatan) Sdn. Bhd. (Maybank Private Wealth Management for Mokhtar Bin Hashim) (PW-M01039) (422768)	4,000,000	1.71
10	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Gan Hai Toh)	3,555,900	1.52
11	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Deutsche Trustees Malaysia Berhad for Hong Leong Growth Fund)	3,277,100	1.40
12	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for AmBank (M) Berhad for Emas Kiara Marketing Sdn. Bhd.)	3,000,000	1.28
13	Emas Kiara Marketing Sdn. Bhd.	3,000,000	1.28
14	Maybank Nominees (Tempatan) Sdn. Bhd. (Maybank Private Wealth Management for Lim Yew Hoe (PW- M00613) (419180))	3,000,000	1.28
15	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Shatar Bin Abdul Hamid)	2,581,500	1.10
16	Maybank Nominees (Tempatan) Sdn.Bhd. (Pledged securities account for Cipta Pantas Sdn. Bhd.)	2,500,000	1.07
17	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Deutsche Trustees Malaysia Berhad for Hong Leong Dana Makmur)	2,400,000	1.03
18	CIMB Group Nominees (Tempatan) Sdn. Bhd. (Hong Leong Asset Management Bhd for Hong Leong Capital Berhad (ED106))	2,200,000	0.94
19	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Aggressive Fund)	2,100,000	0.90
20	Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	0.86
21	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Intan Kuala Lumpur Sdn. Bhd.)	2,000,000	0.86
22	Maybank Nominees (Tempatan) Sdn. Bhd. (Etiqa Family Takaful Berhad (Dana Ekuiti))	1,927,900	0.82
23	Maybank Nominees (Tempatan) Sdn. Bhd. (Etiqa Life Insurance Berhad (Prem Equity))	1,833,500	0.78
24	CIMB Group Nominees (Tempatan) Sdn. Bhd. (CIMB Commerce Trustee Berhad for Hong Leong Wholesale Equity Fund)	1,700,000	0.73
25	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Life Berhad (Par Fund))	1,394,000	0.60
26	Ramamoganarajah A/L M Pamchamy Naidu	1,000,000	0.43
27	Er Chin Joo	900,000	0.38
28	Poh Pek Boon	900,000	0.38
29	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Chong Chien Ming)	865,000	0.37
30	Public Invest Nominees (Asing) Sdn. Bhd. (Exempt An for Phillip Securities Pte Ltd (Clients))	759,000	0.32

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 2021 are set out below:-

Registered Owner		Postal address Description of property/ existing use	Tenure/ expiry lease/ Age Building	Category of land use/land area/ Built-up area (sq m)	Audited NBV as at 30 June 2021 (RM)
Carimin Sdn. Bhd.	(i)	No. 6048, Bangunan Miel, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu • Industrial land	Leasehold of 60 years expiring on 22 Aug 2057	Industrial 7,288	196,774
	(ii)	B-1-4, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 22 years	179	631,008
	(iii)	B-1-5, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 22 years	179	459,527
	(iv)	B-1-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 22 years	179	433,517
	(v)	B-1-7, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 22 years	179	433,517
Carimin Sdn. Bhd.	(vi)	B-1-8, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 22 years	391	1,013,076
	(vii)	B-7-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 22 years	215	557,240
	(viii)	No.7, Jalan SS15/2A, Subang Jaya, 47500 Selangor Darul Ehsan - Double storey intermediate terrace shophouse • Office use	Freehold 35 years	123 246	224,911
Carimin Engineering Services Sdn. Bhd.	(ix)	2 units of single storey workshop, 1 unit of storage building, 3 units of guardhouse and 1 unit of outdoor toilet erected on 6048 Bangunan Miel, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu	9 years	1,499	1,041,228
Fazu Resources (M) Sdn. Bhd.	(x)	PT10363 Mukim Teluk Kalung, Kemaman Terengganu • Industrial land	Leasehold of 60 years expiring on 27 Feb 2078	Industrial 21,130	840,635

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting ("9th AGM" or "the Meeting") of CARIMIN PETROLEUM BERHAD ("Carimin" or "the Company") will be held on a fully virtual basis and entirely via remote participation and voting at the Broadcast Venue: Carimin Airis Board Room, B-1-6, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan on Thursday, 2 December 2021 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. **PLEASE REFER TO NOTE 1**
2. To approve the payment of Directors' fees and benefits of up to RM450,000.00 for the financial year ending 30 June 2022. **ORDINARY RESOLUTION 1**
3. To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company's Constitution: -

   i. Tan Sri Dato' Kamaruzzaman Bin Shariff; and **ORDINARY RESOLUTION 2**

   ii. En. Mokhtar Bin Hashim. **ORDINARY RESOLUTION 3**
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 4**

AS SPECIAL BUSINESS:

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

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 5**

   "THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier."

6. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **SPECIAL RESOLUTION**

   "THAT the proposed amendments to the Constitution of the Company as set out in the "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324)
(SSM PC No. 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
29 October 2021

Notes:

(a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) 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.

(d) 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.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submitted via email to AGM-support.CPB@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) 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 Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 25 November 2021. Only members whose names appear in the General Meeting Record of Depositors as at 25 November 2021 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at www.carimin.com for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2021

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits were calculated based on the current Board size and number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. Item 5 of the Agenda – General Authority for the Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act

The Company had at its Eighth AGM held on 26 November 2020 ("8th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this 9th AGM.

As at the date of this Notice, no new ordinary shares were issued and allotted by the Company via private placement pursuant to the 20% General Mandate granted to the Directors at the 8th AGM.

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares until 31 December 2021 and thereafter, unless extended by Bursa Securities, the 10% limit under Paragraph 6.03(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at general meeting, will expire at the next AGM.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasure shares) for issue of new securities.

The Board of Directors' Statement

The Board of Directors of Carimin ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

4. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company

The Special Resolution proposed under item 6 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company ("Proposed Amendments"), are made mainly for the following purposes:

(a) to align the Company's Constitution with the Companies (Amendment) Act 2019 which came into operation on 15 January 2020 in relation to the alteration of share capital; and
(b) to enhance administrative efficiency.

The Proposed Amendments to the Constitution of the Company shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF CARIMIN PETROLEUM BERHAD ("THE COMPANY")

This is the Appendix A referred to in Agenda 6 of the Notice of Ninth Annual General Meeting ("9th AGM") of the Company dated 29 October 2021.

Day, Date and time of 9th AGM	:	Thursday, 2 December 2021 at 2:30 p.m.
Broadcast Venue of the 9th AGM	:	Fully virtual basis and entirely via remote participation and voting at the Broadcast Venue: Carimin Airis Board Room, B-1-6, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan

Clause No.	Existing Clause	Proposed Clause
56 Power to alter capital	Subject to the provisions of this Constitution and the Act, the Company may by special resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act; (iii) convert and/or re-classify any class of shares into any other class of shares; or (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.	Subject to the provisions of this Constitution and the Act, the Company may by **~~special~~ ordinary** resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act; (iii) convert and/or re-classify any class of shares into any other class of shares; or (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.
61 Meetings of members at two or more venues	The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.	**(a)** The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. **(b)** **For a hybrid general meeting,** the main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. **(c)** For **a** fully virtual general meeting, the broadcast venue **or the online meeting platform which located in Malaysia** shall be **recognised as** the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.

Clause No.	Existing Clause	Proposed Clause
61 Meetings of members at two or more venues (Cont'd)		**(d) For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator ("URL") address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.**
107 Meeting of Directors	(a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Director may at any time and the Secretary shall on the requisition of any of the Directors, summon a meeting of the Directors. (b) A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board. (c) Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.	(a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Director may at any time and the Secretary shall on the requisition of any of the Directors, summon a meeting of the Directors. (b) **The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method. A member of the Board or any invitees may participate in the meeting by means of a telephone conference, or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such Director or person shall be regarded for all purposes as personally attended such a meeting and such Director shall be counted in a quorum and be entitled to vote on the resolutions tabled at the meeting.**
123 Participation at Committee Meeting by way of telephone and video conference	(a) Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee. (b) Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.	**Notwithstanding any provisions to the contrary contained in this Constitution, the committee meeting may be held by fully virtual or hybrid at more than one venue using any technology or method. A committee member or any invitees may participate in the meeting by means of a telephone conference, or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member or person shall be regarded for all purposes as personally attended such a meeting and such committee member shall be counted in a quorum and be entitled to vote on the resolutions tabled at the committee meeting.**

Clause No.	Existing Clause	Proposed Clause
135 Preparation, ~~**and**~~ circulation **and publication** of audited financial statements and reports of directors and auditors thereon	(a) The Directors shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements. (b) A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent to every Member of, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.	(a) The Directors shall cause to be prepared **and circulated,** ~~**sent**~~ to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/ or the provisions in the Listing Requirements. (b) A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent **or circulated** to every Member of **the Company**, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

PROXY FORM

CARIMIN PETROLEUM BERHAD
Registration No.: 201201006787 (908388-K)
(Incorporated in Malaysia)

I/We* ____ NRIC/ Registration No.*________________________________
(full name in capital letters)
of ____
(full address)
Email Address _____________________________________Mobile Phone No. ___________________________________

being (a) member(s) of **CARIMIN PETROLEUM BERHAD** [201201006787 (908388-K)] ("the Company") hereby appoint

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Ninth Annual General Meeting ("9th AGM" or "Meeting") of the Company to be held on a fully virtual basis and entirely via remote participation and voting at the Broadcast Venue: Carimin Airis Board Room, B-1-6, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan on Thursday, 2 December 2021 at 2:30 p.m. or 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.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM450,000.00 for the financial year ending 30 June 2022.		
2.	To re-elect Tan Sri Dato' Kamaruzzaman Bin Shariff as a Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
3.	To re-elect En. Mokhtar Bin Hashim as a Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
5.	To approve the authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

No.	Special Resolution	For	Against
1.	To approve the proposed amendments to the Constitution of the Company.		

* delete whichever not applicable

Dated this ________ day of ______________, 2021.

CDS ACCOUNT NO.	NO. OF SHARES HELD

____

Signature of Member(s)/Common Seal

Notes:

(a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) 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.

(d) 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.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submitted via email to AGM-support.CPB@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) 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 Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 25 November 2021. Only members whose names appear in the General Meeting Record of Depositors as at 25 November 2021 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at www.carimin.com for the latest updates on the status of the Meeting.

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AFFIX STAMP

The Share Registrar of

CARIMIN PETROLEUM BERHAD
201201006787(908388-K)

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,
Wilayah Persekutuan.

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CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia)
Registration No.: 201201006787 (908388-K)

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