



CARIMIN PETROLEUM BERHAD

(Company No. 908388-K)
(Incorporated in Malaysia under the Companies Act, 1965)

THIS PROSPECTUS IS DATED 23 OCTOBER 2014

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:

- I. PUBLIC ISSUE OF 60,700,000 NEW ORDINARY SHARES OF RM0.50 EACH ("SHARES") IN THE FOLLOWING MANNER:
 - 11,694,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 3,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES; AND
 - 46,006,000 NEW SHARES BY WAY OF PLACEMENT TO IDENTIFIED INVESTORS;

AND

- II. OFFER FOR SALE OF 5,890,000 EXISTING SHARES BY WAY OF PLACEMENT TO IDENTIFIED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM1.10 PER SHARE, PAYABLE IN FULL UPON APPLICATION

Adviser, Underwriter and Placement Agent



M & A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of INSAS BHD)

A Participating Organisation of Bursa Malaysia Securities Berhad

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 4 HEREIN.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.



CARIMIN PETROLEUM BERHAD



PROSPECTUS

RESPONSIBILITY STATEMENTS

OUR DIRECTORS, OFFERORS AND PROMOTERS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

M&A SECURITIES SDN BHD, BEING OUR PRINCIPAL ADVISER, UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR INITIAL PUBLIC OFFERING ("IPO").

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED OUR IPO AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THAT YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

APPROVAL HAS BEEN OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE LISTING OF AND QUOTATION FOR THE SECURITIES BEING OFFERED. OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SECURITIES. BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE BY US IN THIS PROSPECTUS AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR OUR IPO IN MALAYSIA UNDER THE LAWS OF MALAYSIA. THE SHARES TO BE ISSUED AND OFFERED PURSUANT TO OUR IPO ("**IPO SHARES**") ARE OFFERED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. OUR COMPANY AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE POTENTIAL INVESTORS WITH INFORMATION, WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

OUR COMPANY WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF OUR IPO, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER INVESTORS HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH. IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA AND TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER YOUR APPLICATION FOR OUR IPO SHARES WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR OUR IPO SHARES IS IN COMPLIANCE WITH THE TERMS OF OUR IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. OUR COMPANY WILL FURTHER ASSUME THAT YOU HAVE ACCEPTED OUR IPO SHARES IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, OUR COMPANY RESERVES THE RIGHT, IN OUR ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCE AS INVALID IF OUR COMPANY BELIEVES THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE ACCOMPANYING DOCUMENTS ARE SUBJECT TO MALAYSIAN LAWS. OUR COMPANY AND OUR ADVISERS TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. OUR COMPANY AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN IPO OF OUR SHARES BASED ON THIS PROSPECTUS OR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. THIS PROSPECTUS MAY NOT BE USED FOR ANY OFFER TO SELL OR INVITATION TO BUY OUR SHARES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE IN WHICH SUCH AN OFFER OR INVITATION IS NOT AUTHORISED OR UNLAWFUL. THIS PROSPECTUS SHALL ALSO NOT BE USED TO MAKE AN OFFER OR INVITATION OF OUR COMPANY'S SHARES TO ANY PERSON TO WHOM IT IS UNLAWFUL TO DO SO. OUR COMPANY AND OUR ADVISERS REQUIRE POTENTIAL INVESTORS TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

ELECTRONIC PROSPECTUS

YOU CAN VIEW OR DOWNLOAD THIS PROSPECTUS FROM THE WEBSITE OF BURSA SECURITIES AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME.

YOU MAY ALSO DOWNLOAD A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITES OF RHB BANK BERHAD AT www.rhbbank.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my, CIMB BANK BERHAD AT www.cimbclicks.com.my, AFFIN BANK BERHAD AT www.affinOnline.com (VIA HYPERLINK TO THE WEBSITE OF BURSA SECURITIES) CIMB INVESTMENT BANK BERHAD AT www.ejpocimb.com, AND ON THE WEBSITE OF PUBLIC BANK BERHAD AT www.pbebank.com.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM, AND THAT YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) MAY BE SUBJECT TO THE RISKS OF PROBLEMS OCCURRING DURING THE DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND BURSA SECURITIES.

IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR PRINCIPAL ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IN THE EVENT OF ANY DISCREPANCIES ARISING BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC, SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD-PARTY INTERNET SITES (REFERRED TO AS "**THIRD PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD-PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE AND OUR PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY WITH THE THIRD PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENTS OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD-PARTY INTERNET SITES;
- (II) WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD-PARTY INTERNET SITES, FOR FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE AND OUR PRINCIPAL ADVISER ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COSTS THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD-PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD-PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS (AS DEFINED HEREIN) ARE ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS SITUATED ON THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND THEREAFTER COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED AS THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT OR FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT OR FAULTS ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION, WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

The indicative timing of events leading to the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities is set out below:

| Events | Tentative Dates |
|---|------------------------|
| Issuance of this Prospectus/Opening of Application for our IPO | 23 October 2014 |
| Closing of application for our IPO | 29 October 2014 |
| Balloting of the application for our IPO Shares (as defined herein) | 31 October 2014 |
| Allotment of our IPO Shares to successful applicants | 6 November 2014 |
| Date of Listing | 10 November 2014 |

This timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. The application period for our IPO will close at the date stated above or such later date as our Directors and our Underwriter in their absolute discretion may mutually decide.

In the event the closing date of the application is extended, we will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page viii.

All references to "CPB" and "Company" in this Prospectus are to Carimin Petroleum Berhad (908388-K), references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors, key management and key technical personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 2 decimal places. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in "Definitions" appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Business and Market Research Consultants. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page viii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) demand for our services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our financial position;
- (v) our future earnings, cash flows and liquidity; and
- (vi) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the economic, political and investment environment in Malaysia and globally; and
- (ii) government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 4 of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

| | | |
|-----------------------|---|--------------------------------------|
| "Carimin Airis" | : | Carimin Airis Offshore Sdn Bhd |
| "Carimin Corporate" | : | Carimin Corporate Services Sdn Bhd |
| "Carimin Equipment" | : | Carimin Equipment Management Sdn Bhd |
| "Carimin Engineering" | : | Carimin Engineering Services Sdn Bhd |
| "Carimin Marine" | : | Carimin Marine Services Sdn Bhd |
| "CPB" | : | Carimin Petroleum Berhad |
| "Carimin Resources" | : | Carimin Resources Services Sdn Bhd |
| "CSB" | : | Carimin Sdn Bhd |

GENERAL:

| | | |
|--------------------------------------|---|---|
| "Acquisitions" | : | Acquisitions comprising the following: <ul style="list-style-type: none"> (i) Acquisition of CSB; and (ii) Acquisition of Carimin Engineering, <p>which was completed on 1 July 2014. Additional information on the Acquisitions is further described in Section 5.3 of this Prospectus</p> |
| "Acquisition of CSB" | : | Acquisition by CPB of the entire equity interest of CSB, comprising 1,000,000 ordinary shares of RM1.00 each in CSB for a purchase consideration of RM78,637,361 satisfied via the issuance of 157,274,722 new CPB Shares at par |
| "Acquisition of Carimin Engineering" | : | Acquisition by CPB of 30% of the equity interest of Carimin Engineering, comprising 1,500,000 ordinary shares of RM1.00 each in Carimin Engineering for a purchase consideration of RM7,951,619 satisfied via the issuance of 15,903,238 new CPB Shares at par |
| "Act" | : | Companies Act, 1965, as amended from time to time, and any re-enactments thereof |
| "ADA" | : | Authorised Depository Agent |
| "Application Form" | : | The printed application form for the application of our IPO Shares accompanying this Prospectus |
| "Application" | : | The application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application |

DEFINITIONS (Cont'd)

| | | |
|--------------------------------|---|---|
| "ATM" | : | Automated teller machines of a Participating Financial Institution |
| "Board" | : | Board of Directors of CPB |
| "Bursa Depository" | : | Bursa Malaysia Depository Sdn Bhd |
| "Bursa Securities" | : | Bursa Malaysia Securities Berhad |
| "CAGR" | : | Compounded annual growth rate |
| "CCM" | : | Companies Commission of Malaysia |
| "CPB Group" or "Group" | : | CPB and its wholly-owned subsidiaries, collectively |
| "CDS Account" | : | An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor |
| "CDS" | : | Central Depository System |
| "Closing Date" | : | Means the date adopted in this Prospectus as the last date for acceptance and receipt of application for the subscription to our IPO Shares or such other later date as our Company and the Underwriter may agree upon. |
| "CMSA" | : | Capital Markets & Services Act 2007, as amended from time to time, and any re-enactments thereof |
| "Cipta Pantas" | : | Cipta Pantas Sdn Bhd |
| "Depository Rules" | : | The Rules of Bursa Depository and any appendices thereto as they may be amended from time to time |
| "EBITDA" | : | Earnings before interest, taxes, depreciation and amortisation |
| "Electronic Share Application" | : | Application for our IPO Shares through a Participating Financial Institution's ATM |
| "EPS" | : | Earnings per share |
| "Esso Malaysia" | : | Esso Production Malaysia Inc |
| "ExxonMobil" | : | ExxonMobil Exploration and Production Malaysia Inc |
| "FYE" | : | Financial year(s) ended/ending 30 June, as the case may be |
| "GP" | : | Gross profit |
| "HESS" | : | Carigali HESS Operating Company Sdn Bhd |
| "IMR" | : | Vital Factor Consulting Sdn Bhd, our Independent Business and Market Research Consultants for our Listing |
| "Internet Share Application" | : | Application for our IPO Shares through an Internet Participating Financial Institution |

DEFINITIONS (Cont'd)

| | | |
|---|---|---|
| "Internet Participating Financial Institutions" | : | The participating financial institutions for Internet Share Application as listed in Section 16 of this Prospectus |
| "IPO" | : | Our initial public offering comprising the Public Issue |
| "IPO Price" | : | The issue price of RM1.10 per IPO Share pursuant to the Public Issue |
| "Issue Shares" | : | 60,700,000 new Shares to be issued under the Public Issue, representing 25.95% of the enlarged issued and paid-up share capital of our Company upon Listing |
| "IPO Shares" | : | Collectively, the Issue Shares and the Offer Shares |
| "Latest Practicable Date" or "LPD" | : | 30 September 2014, being the latest practicable date for ascertaining certain information contained in this Prospectus |
| "Listing Requirements" | : | Main Market Listing Requirements of Bursa Securities |
| "Listing Scheme" | : | Comprising the Public Issue and Listing, collectively |
| "Listing" | : | Listing of and quotation for our entire enlarged issued and paid-up share capital of 233,878,000 Shares on the Main Market of Bursa Securities |
| "M&A Securities" | : | M&A Securities Sdn Bhd |
| "Malaysian Public" | : | Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia |
| "MITI" | : | Ministry of International Trade and Industry |
| "MNCs" | : | Multinational corporations |
| "Murphy Oil" | : | Murphy Sarawak Oil Co Ltd |
| "NA" | : | Net assets |
| "NBV" | : | Net book value |
| "Newfield" | : | Newfield Peninsular Malaysia Inc. |
| "NTA" | : | Net tangible assets |
| "Offer for Sale" | : | The offer for sale by our Offerors of the Offer Shares at our IPO Price payable in full upon full application subject to the terms and conditions of this Prospectus |
| "Offer Shares" | : | 5,890,000 existing Shares to be offered pursuant to the Offer for Sale, representing 2.52% of the enlarged issued and paid-up share capital of our Company upon Listing |
| "Offerors" | : | Mokhtar Bin Hashim and Platinum Castle Sdn Bhd |

DEFINITIONS (Cont'd)

| | | |
|--|---|---|
| "Participating Financial Institution(s)" | : | Participating financial institution(s) for Electronic Share Application |
| "PAT" | : | Profit after taxation |
| "PBT" | : | Profit before taxation |
| "PE Multiple" | : | Price-earnings multiple |
| "Peninsular Malaysia HUC Contract" | : | Contract dated 13 November 2013 entered into between Petronas Carigali and Carimin Engineering for Carimin Engineering to provide offshore hook up and commissioning and topside major maintenance for production platforms and structures located offshore peninsular Malaysia |
| "Petrofac" | : | Petrofac (Malaysia PM304) Limited |
| "PETRONAS" | : | Petroleum Nasional Berhad |
| "Petronas Carigali" | : | Petronas Carigali Sdn Bhd |
| "Petronas Penapisan Terengganu" | : | Petronas Penapisan (Terengganu) Sdn Bhd |
| "Pink Form Allocations" | : | The allocation of 3,000,000 new Shares to our eligible Directors and employees |
| "Private Placement" | : | Placement of 51,896,000 IPO Shares by way of private placement in conjunction with our IPO to identified investors. |
| "Promoters" | : | Our promoters, comprising Cipta Pantas, Mokhtar Bin Hashim, Platinum Castle Sdn Bhd, Shatar Bin Abdul Hamid and Tan Sri Dato' Kamaruzzaman Bin Shariff |
| "Public Issue" | : | Public issue of 60,700,000 new Shares at our IPO Price payable in full upon application subject to the terms and conditions of this Prospectus |
| "RM and sen" | : | Ringgit Malaysia and sen respectively |
| "SC" | : | Securities Commission Malaysia |
| "SICDA or Depository Act" | : | Securities Industry (Central Depositories) Act, 1991, as amended from time to time, and any re-enactments thereof |
| "SK Offshore" | : | Synergy Kenyalang Offshore Sdn Bhd |
| "sq m" | : | Square meters |
| "sq ft" | : | Square feet |
| "Talisman" | : | Talisman Malaysia Limited |
| "Issuing House" | : | Tricor Investor & Issuing House Services Sdn Bhd (formerly known as Equiniti Services Sdn Bhd) |

DEFINITIONS (Cont'd)

| | | |
|--------------------------|---|--|
| "Underwriter" | : | M&A Securities |
| "Underwriting Agreement" | : | The underwriting agreement dated 19 September 2014 entered into between CPB and M&A Securities pursuant to our IPO |
| "USD" | : | United States Dollars |

Technical Glossary

| | | |
|--|---|---|
| "Accommodation Workboat (AWB)" | : | An accommodation vessel is a vessel that is primarily designed and equipped to provide living quarters for personnel who are stationed out at sea |
| "Anchor Handling Tug Supply Vessel (AHTS)" | : | An anchor handling tug supply vessel is similar to an anchor handling tug and performs similar tasks, but is constructed with larger open deck space to enable it to also transport supplies |
| "Barrel" | : | A common unit of measure that is used for hydrocarbon products, equivalent to 158.9873 litres |
| "Brownfield" | : | Refers to a field from which hydrocarbons have been, or are being produced |
| "BOE" | : | Barrel of oil equivalent (BOE) is a unit of energy based on the approximate energy released by burning one barrel of crude oil. |
| "Completion" | : | Completion is the process by which a well is brought to its final classification – basically, as a dry hole, a producer, or an injector well |
| "Crude Oil" | : | Crude oil is the portion of petroleum that exists in the liquid phase in natural underground reservoirs, and remains in the liquid phase at atmospheric pressure and temperature. Crude oil refers to, and may be used interchangeably with, the term "oil" in this Prospectus |
| "Deep Water" | : | Deep water is informally defined by the oil and gas industry in Malaysia as water deeper than 200 meters |
| "Downstream" | : | Within the context of the oil and gas industry, the downstream segment encompasses the refining and processing, and distribution segments of the industry |
| "Drilling Rig" | : | Surface structure housing equipment and machinery used to drill wells that may be used onshore or offshore. Offshore drilling rigs usually include all facilities necessary to carry out drilling. The different types of offshore drilling rigs commonly used are semi-submersible drilling rigs, drill-ships and jack-up rigs |
| "Enhanced Oil Recovery" or "EOR" | : | Refers to a variety of processes intended to increase the amount of hydrocarbons recovered from a reservoir, typically by injecting fluids in the form of liquid (e.g. water, chemical solution) or gas (e.g. air, nitrogen, carbon dioxide, natural gas), or through thermal means |

DEFINITIONS (Cont'd)

- "Exploration and Appraisal Well" : A well drilled for the purpose of finding and delineating fields; or finding a new reservoir in a known field; or extending the limit of a known reservoir
- "Fabrication" : Fabrication is the term generally applied to the value-added process of constructing machines and structures out of various raw materials, primarily metal
- "Fabrication Yard" : An area designated for fabrication work, and equipped as such
- "Field" : A field refers to an area consisting of a hydrocarbon reservoir or multiple hydrocarbon reservoirs all grouped on, or related to, the same individual geological structural features
- "Field Development" : Refers to development work for the purpose of bringing a hydrocarbon field into production
- "Front End Engineering Development" or "FEED" : Front end engineering development refers to the conceptual design and development work that is carried out early in a project's lifecycle. At this stage, the project's design and parameters can be adjusted easily and at relatively little cost
- "Greenfield" : Refers to a field from which hydrocarbons have not yet been produced
- "Hook Up and Commissioning" or "HUC" : The interconnection and interfacing of systems such as structures, modules and equipment, and commissioning of these systems including inspection and testing, and ensuring all the systems are operational effectively, efficiently and safely on the platform
- "HSE" : Health, safety and environment
- "Hydrocarbon" : Hydrocarbons are a wide range of chemical compounds comprising hydrogen and carbon. Hydrocarbon also refers to, and may be used interchangeably with, the terms "oil" and "gas" in this Prospectus
- "Marginal Oil Field" : An oil field with reserves totalling 30 million BOE or less
- "Midstream" : Within the context of the oil and gas industry, refers to the transportation segment of the industry
- "Natural Gas" : A naturally occurring mixture of hydrocarbon gasses. Methane is the chief constituent of most natural gas. Natural gas refers to, and may be used interchangeably with, the term "gas" in this Prospectus
- "Offshore Production Facility" : A facility fabricated for the purpose of carrying out hydrocarbon production in an offshore environment. Examples of offshore production facilities include production platforms, Floating Production Storage and Offloading vessel (FPSO), and other facilities
- "Onshore Slug Catcher" or "OSC" : Provision for onshore slug catcher involving the installation of pipeline valve retrofits for gas pipeline

DEFINITIONS (Cont'd)

- "Petroleum" : Petroleum is a complex mixture of a naturally occurring hydrocarbon compounds found in rock. Petroleum may be in gaseous, liquid or solid states, but the term generally refers to liquid crude oil
- "Platform" : An immobile structure that is installed in a marine environment (i.e. offshore). Platforms provide a base for oil and gas extraction activities. Offshore platforms are normally self-contained and include all the necessary machinery and equipment, as well as living quarters
- "Production Facility" : An oil and gas production facility is designed to extract and process oil and/or gas from underground reserves to a condition that is suitable for transport, either through tankers or pipelines, to a processing facility or refinery. Production facilities can be onshore or offshore
- "Production Platform" : A production platform is a structure installed in the marine environment (i.e. offshore) that houses the equipment and systems that are required to produce hydrocarbons
- "Production Sharing Contract" or "PSC" : A contractual agreement between a company, referred to as PSC contractor or operator, and the host Government. PSC contractors and operators have the financial and technical ability to bear the cost and risk of undertaking hydrocarbon exploration, development and production
- "Reserve" : Hydrocarbon reserves are defined as those quantities of hydrocarbons that are anticipated to be commercially recoverable from known accumulations
- "Risk Analysis" : Risk analysis refers to the practice of managing a project's risks by reviewing the risks inherent in the project, determining the probability of the risks occurring, evaluating the risks and determining how best to mitigate and/or handle the risks
- "Risk Service Contract" or "RSC" : A contract between the host authority and appointed contractors with the host authority assuming the role of project manager, while the contractors are paid a fixed fee for services rendered with regards to hydrocarbon development and production
- "Seismic Survey" : Seismic survey refers to the technique for determining the structure of geological formations by sending energy waves into the earth, recording the waves reflected back to the surface, and interpreting the wave reflections
- "Shallow Water" : Shallow water is informally defined by the oil and gas industry in Malaysia as water depth of between 0 to 200 metres
- "Skid" : A structure on which equipment is affixed, and which can be lifted
- "Topside" : Generally the portion of the offshore platform that is permanently above the surface where the equipment and systems are typically housed

DEFINITIONS (Cont'd)

- "Tugboat" : A tugboat is a vessel that is primarily designed to manoeuvre or tow other vessels, rigs, platforms other offshore structures. Tugboats are equipped with powerful marine engines to perform this task
- "Upstream" : Within the context of the oil and gas industry, refers to the exploration, development and production segments of the industry
- "Vessel" : In general, a vessel refers to a large watercraft that is capable of navigation in the open ocean, away from the coast. Within the context of this Prospectus, the term "vessel" may be used interchangeable with the term "ship"
- "Well" or "Wellbore" : A hole in the ground created for the purpose of identifying and assessing hydrocarbons, or the production of hydrocarbons
- "Welding" : Welding is a fabrication process that joins materials, usually of metal or thermoplastic, by causing coalescence. Welding is often done by melting the work-pieces and adding a filler material to form a pool of molten material that cools to become a strong joint. Sometimes pressure is also used in conjunction with heat, or by itself, to produce the weld
- "Work Boat" : A work boat is a vessel that is primarily designed for commercial operations, such as ferrying supplies and equipment
- "Workover" : Workover refers to remedial operations that are carried out on an operational production well to try to increase production
- "Workover Rigs" : Workover rigs refer to surface structures housing equipment and machinery used to carry out workover activities

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name | Designation | Address | Nationality/ Profession |
|--|--|---|---|
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Non-Independent Non- Executive Chairman | 82, Taman Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur | Malaysian/ Director |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Independent Non- Executive Director | 3, Jalan Wangsamias 3 Taman Bukit Wangsamias Wangsa Maju 53300 Kuala Lumpur | Malaysian/ Director |
| Mokhtar Bin Hashim | Managing Director | 15, Jalan Menara U8/7 Bukit Jelutong 40150 Shah Alam Selangor | Malaysian/ Director |
| Shatar Bin Abdul Hamid | Executive Director | No. 29, Jalan 6/5 Off Persiaran Pusat Bandar 1 Seksyen 6 43650 Bandar Baru Bangi Selangor | Malaysian/ Director |
| Yip Jian Lee | Independent Non- Executive Director | 4, Lorong Kasah Tepi Medan Damansara 50490 Kuala Lumpur | Malaysian/ Accountant |
| Mohd Rizal Bahari Bin Md Noor | Independent Non- Executive Director | 40, Jalan SM 11 Taman Sunway Batu Caves 68100 Batu Caves Selangor | Malaysian/ Advocate and Solicitor |
| Wan Muhamad Hatta Bin Wan Mos | Independent Non- Executive Director | No. 38A, Jalan Merah Kesumba U9/18 Kelab Golf Montereiz 40000 Shah Alam Selangor | Malaysian/ Engineer |
| Dato' Ir. Mohamad Razali Bin Othman | Independent Non- Executive Director | No. 81, Jalan 14/1 Kg. Melayu Kepong 52100 Wilayah Persekutuan Kuala Lumpur | Malaysian/ Engineer |

1. CORPORATE DIRECTORY (Cont'd)**AUDIT COMMITTEE**

| Name | Designation | Directorship |
|---|--------------------|------------------------------------|
| Yip Jian Lee | Chairman | Independent Non-Executive Director |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Member | Independent Non-Executive Director |
| Mohd Rizal Bahari Bin Md Noor | Member | Independent Non-Executive Director |

REMUNERATION COMMITTEE

| Name | Designation | Directorship |
|---|--------------------|------------------------------------|
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Chairman | Independent Non-Executive Director |
| Mokhtar Bin Hashim | Member | Managing Director |
| Yip Jian Lee | Member | Independent Non-Executive Director |

NOMINATION COMMITTEE

| Name | Designation | Directorship |
|---|--------------------|--|
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | 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 |

| | | |
|--------------------------|---|---|
| REGISTERED OFFICE | : | Third Floor, No. 79 (Room A) Jalan SS21/60, Damansara Utama 47400 Petaling Jaya Selangor |
| | | Telephone number: 03-7728 4778 Facsimile: 03-7722 3668 |
| HEAD OFFICE | : | B-1-6 Megan Avenue 1 189, Jalan Tun Razak 50400 Kuala Lumpur |
| | | Telephone number: 03-2168 7000 Facsimile: 03-2164 2199 / 1792 |

1. CORPORATE DIRECTORY (Cont'd)

| | | |
|---|---|---|
| EMAIL ADDRESS AND WEBSITE | : | Email address: biz@carimin.com Website: http://www.carimin.com/ |
| COMPANY SECRETARIES | : | Tea Sor Hua (MACS 01324) Yong Yen Ling (MAICSA 7044771) Third Floor, No. 79 (Room A) Jalan SS21/60, Damansara Utama 47400 Petaling Jaya Selangor Telephone number: 03-7728 4778 Facsimile: 03-7722 3668 |
| AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING | : | Crowe Horwath AF1018 Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Telephone number: 03-2788 9999 Facsimile: 03-2788 9998 |
| SOLICITORS FOR OUR LISTING | : | Tay & Helen Wong Suite 703, Block F Phileo Damansara 1 No. 9, Jalan 16/11 46350 Petaling Jaya Selangor Telephone number: 03-7960 1863 Facsimile: 03-7960 1873 |
| PRINCIPAL BANKERS | : | Alliance Bank Malaysia Berhad Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone number: 03-2604 3333 Facsimile: 03-2694 5727 HSBC Amanah Malaysia Berhad No. 2, Leboh Ampang 50100 Kuala Lumpur Telephone number: 03-2070 0744 Facsimile: 03-2070 1146 |

1. CORPORATE DIRECTORY (Cont'd)

Malayan Banking Berhad

Lot 1.01, Ampang Park Shopping Centre
Jalan Ampang
50450 Kuala Lumpur

Telephone number: 03-2161 2101
Facsimile: 03-2161 9294

OCBC Bank (Malaysia) Berhad

Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur

Telephone number: 03-2034 5034
Facsimile: 03-2698 4363

Standard Chartered Saadiq Berhad

Level 15, Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur

Telephone number: 1300-883 399
Facsimile: 03-7849 6868

United Overseas Bank (Malaysia) Bhd

Level 11, Menara UOB
Jalan Raja Laut
P.O. Box 11212
50738 Kuala Lumpur

Telephone number: 03-2692 7722
Facsimile: 03-2691 6073

**INDEPENDENT BUSINESS
AND MARKET RESEARCH
CONSULTANTS**

: Vital Factor Consulting Sdn Bhd

V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor

Telephone number: 03-7931 3188
Facsimile: 03-7931 2188

**ADVISER, UNDERWRITER
AND PLACEMENT AGENT**

: M&A Securities Sdn Bhd

Level 11, No. 45 & 47, The Boulevard
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911
Facsimile: 03-2284 2718

1. CORPORATE DIRECTORY (Cont'd)

| | | |
|------------------------|----------|---|
| ISSUING HOUSE | : | Tricor Investor & Issuing House Services Sdn Bhd (formerly known as Equiniti Services Sdn Bhd) Level 17, The Gardens North Tower Mid Valley City Lingkarang Syed Putra 59200 Kuala Lumpur Telephone number: 03-2264 3883 Facsimile: 03-2282 1886 |
| SHARE REGISTRAR | : | Tricor Investor Services Sdn Bhd Level 17, The Gardens North Tower Mid Valley City, Lingkarang Syed Putra 59200 Kuala Lumpur Telephone number: 03-2264 3883 Facsimile: 03-2282 1886 |
| LISTING SOUGHT | : | Main Market of Bursa Securities |

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2. INFORMATION SUMMARY

THE INFORMATION CONTAINED IN THIS SECTION IS INTENDED ONLY TO BE A SUMMARY OF SOME SALIENT INFORMATION RELATING TO US AND OUR IPO, AND THE INFORMATION CONCERNED IS DERIVED FROM AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN OUR SHARES.

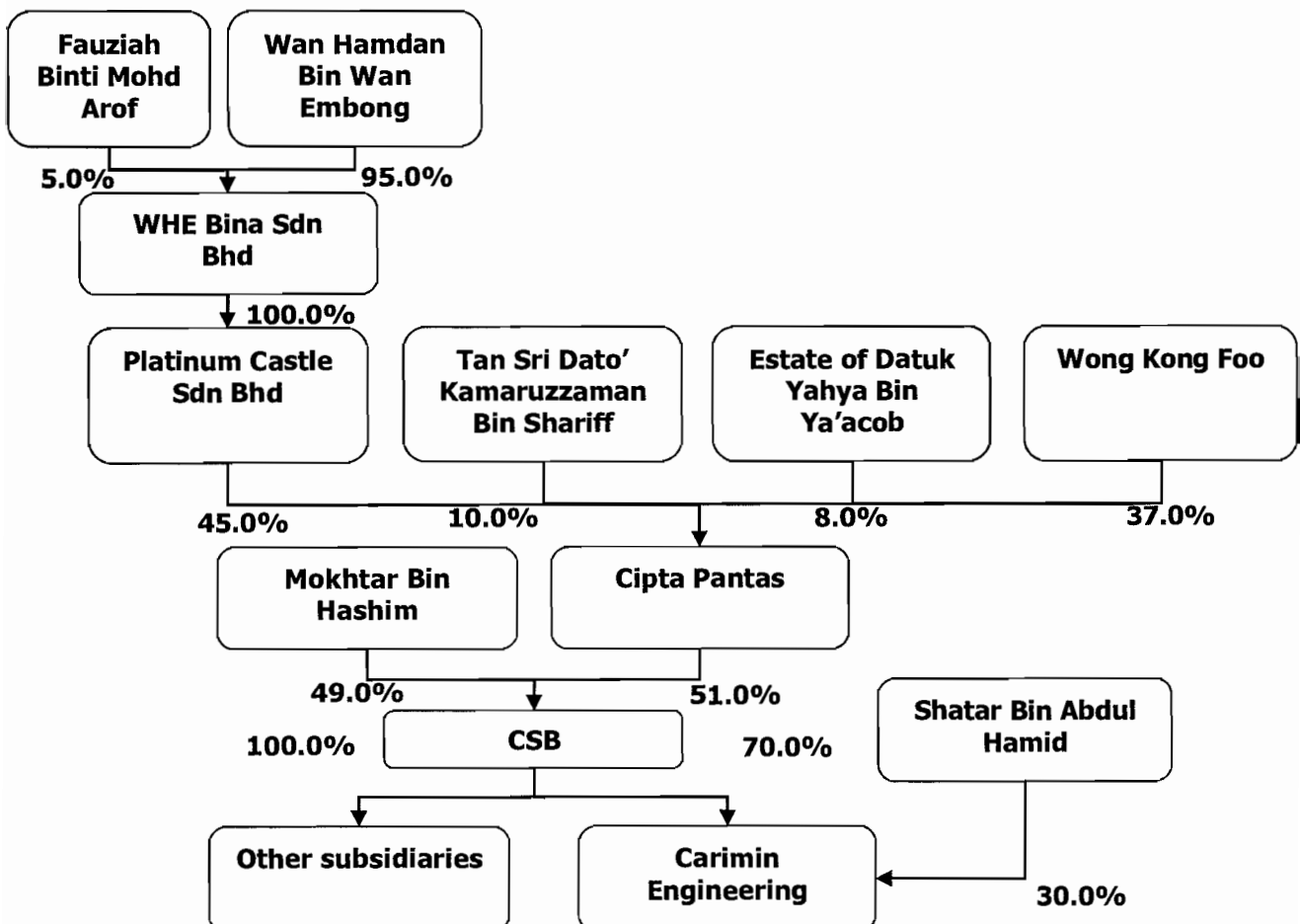
2.1 HISTORY AND BUSINESS

Carimin Petroleum Sdn Bhd was incorporated in Malaysia on 14 March 2012 under the Act as a private limited company and converted to a public limited company with our current assumed name on 21 December 2012.

We are an investment holding company whilst our subsidiaries' business activities centre on supporting the offshore oil and gas industry in Malaysia. We primarily provide offshore hook up and commissioning, production platform system maintenance and upgrading services including minor fabrication services. Our other business unit also includes manpower supply and equipment rental services.

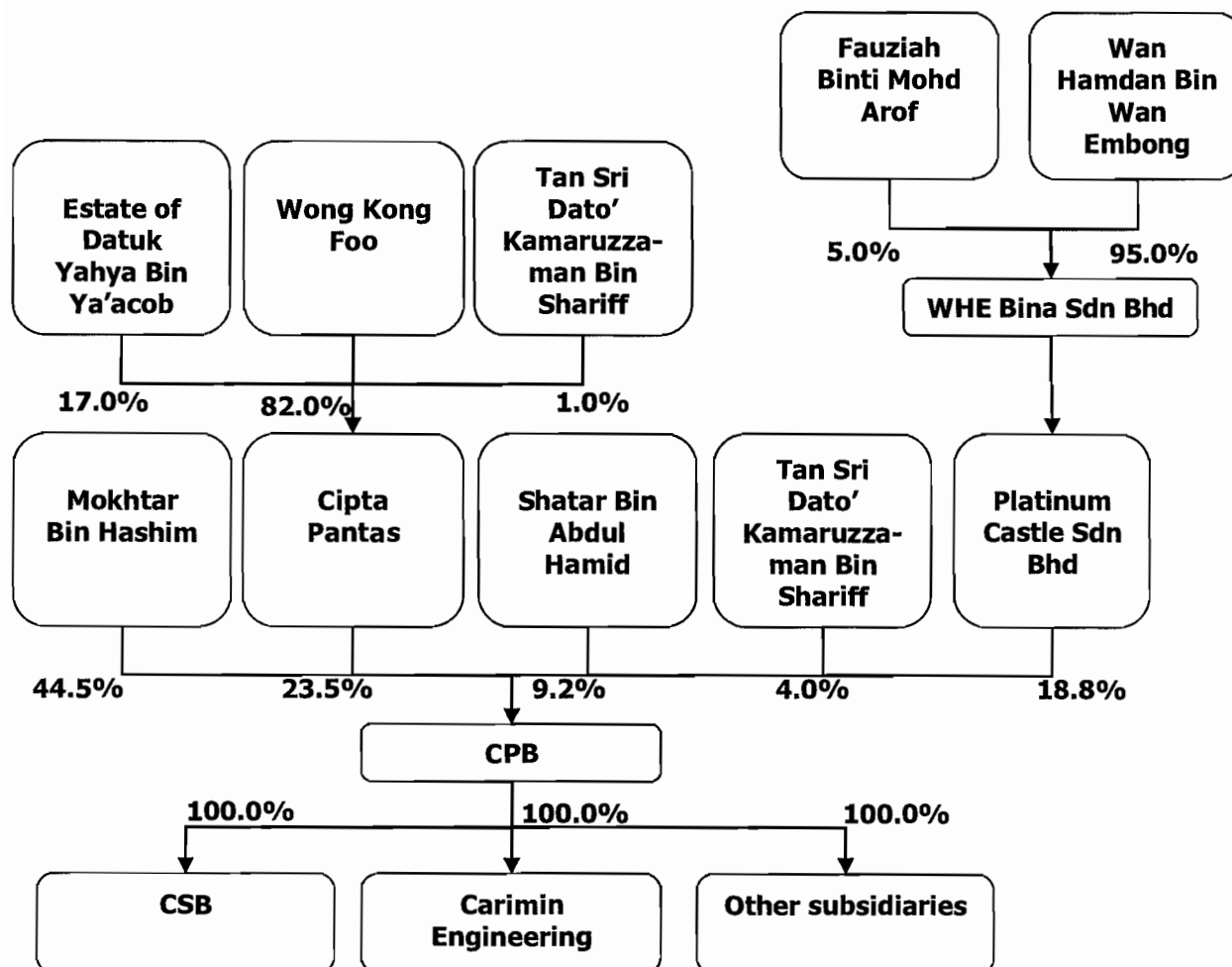
Our Group, through our subsidiary, Carimin Airis, owns an AHTS vessel and we have an equity interest of 14% in SK Offshore, owning an AWB. In March 2014, we had entered into a Memorandum of Agreement to acquire an additional AWB, namely Carimin Acacia. Carimin Acacia is scheduled for delivery in June 2015.

On 1 July 2014, our Group undertook a re-organisation. Our Group structure prior to the re-organisation is as follows:



2. INFORMATION SUMMARY (Cont'd)

Our Group structure as at the LPD (after the re-organisation) and prior to our IPO is diagrammatically summarised below:



The main activities of our Group are summarised below:

Subsidiaries

Principal Activities

| | |
|---------------------|---|
| CSB | Provision of inspection services, project management support services including sourcing for consultants, technical professionals, engineers, skilled personnel and other quality assurance services. |
| Carimin Engineering | Provision of offshore hook up and commissioning services, maintenance, engineering and minor fabrication services for offshore and onshore structures. |
| Carimin Resources | Presently dormant. Its intended business is the provision of project and data management services for our Group. |
| Carimin Corporate | Provision of corporate, management and support services such as finance, human resource and administration services for the operations of our Group. |
| Carimin Equipment | Provision of equipment and tools for offshore and onshore works in the oil and gas industry. |

2. INFORMATION SUMMARY (Cont'd)

| Subsidiaries | Principal Activities |
|----------------|---|
| Carimin Marine | Provision of marine related offshore and onshore support services in the oil and gas industry which includes charter of offshore support vessels. |
| Carimin Airis | Provision of marine related offshore and onshore support services in the oil and gas industry which includes charter of offshore support vessels. |

As at the date of this Prospectus, we do not have any associated company.

The primary business activities of our Group are centred on supporting the offshore oil and gas industry in Malaysia. Our business activities include the provision of the following services:

- Offshore hook up and commissioning, production platform system maintenance and upgrading services;
- Manpower supply services;
- Minor fabrication services; and
- Equipment rental services.

We own an AHTS, and our investment in SK Offshore, owns an offshore accommodation vessel.

From FYE 2011 to FYE 2013, we achieved continuous growth in revenue and profitability (based on CAGR). Total revenue increased from approximately RM158.42 million in FYE 2011 to approximately RM325.79 million in FYE 2013. In FYE 2014, our revenue decreased to approximately RM245.58 million. Notwithstanding the decrease in revenue, during the same period, our PAT increased from approximately RM9.53 million in FYE 2011 to approximately RM21.94 million in FYE 2014.

Details on our history and business overview are set out in Sections 5 and 6 of this Prospectus, respectively.

2.2 COMPETITIVE STRENGTHS

Described below are our competitive strengths further detailed in Section 6.2(c) of this Prospectus, which we believe allows our Group to compete effectively within the industry we operate in:

(i) Access to skilled human resources

We have access to oil and gas industry human resources through our extensive in-house database for geoscientists, engineers, technicians, professionals, welders, riggers and other personnel. Third-party databases and industry contacts are also within our available resource.

2. INFORMATION SUMMARY (Cont'd)

(ii) PETRONAS licences

CSB and Carimin Engineering have been licenced by PETRONAS to provide a range of services, including offshore hook up and commissioning, production platform system maintenance and upgrading, manpower supply, and minor fabrication services.

(iii) Long term contracts

Our Group's ability to continuously secure new and long term contracts from our customers' is an indication of our capabilities, reliability and reputation of being able to deliver quality work, achieving high safety standards and on time completion.

(iv) In-house minor fabrication facilities

Our minor fabrication yard supports our offshore hook up and commissioning projects by fabricating any structures to be used at various locations during the project and our maintenance services.

(v) Track record

Since the commencement of our operations in 1989, we have built a strong track record of successfully developing our business capabilities.

Our proven track record and strong reputation has enabled us to build our customer base as well as help us secure new projects and customers.

(vi) Ownership of a vessel and investment in a vessel owner

Our vessel ownership and investment in another vessel is complementary to our business focusing on providing production platform system maintenance, upgrading, and offshore hook up and commissioning services, as AHTS and accommodation vessels are used to support work activities offshore.

(vii) In-house quality assurance

CSB and Carimin Engineering, are currently ISO 9001:2008 quality management system accredited for scopes of work relevant to their principal business activities. Internally, we have an established in-house quality policy to ensure that specified quality standards are adopted and maintained.

2.3 FUTURE PLANS

Our future plans and strategies are as follows, which are further detailed in Section 6.17.1 of this Prospectus:

(a) Implementation of Peninsular Malaysia HUC Contract

On 13 November 2013, we secured a contract from Petronas Carigali to provide offshore hook up and commissioning, production platform system maintenance and upgrading services for production platforms located offshore peninsular Malaysia.

The duration of contract is until 2018 and works have commenced in 2014.

2. INFORMATION SUMMARY (Cont'd)**(b) Purchase of vessel**

Our Group had entered into a Memorandum of Agreement to purchase an AWB (which is scheduled for delivery in June 2015) to support our existing business activities which will reduce the need for chartering vessels from third-parties.

(c) Development of minor fabrication yard and expansion of existing equipment rental services

We plan to develop our minor fabrication yard at the Kawasan Industri Telok Kalong, Kemaman, Terengganu to support our existing operation and enhance our capability.

In addition, work to expand our existing equipment rental services has commenced in 2nd quarter of 2014 with the new equipment being purchased for our minor fabrication yard at Kawasan Industri Telok Kalong, Kemaman, Terengganu.

(d) Provision of marine services to external customers

We intend to provide marine services to external customers. The provision of marine services to external customers will allow us to diversify our business, as well as our customer and revenue base.

2.4 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

Our Promoters, substantial shareholders, Directors and key management personnel are as follows:

| Name | Designation |
|---|--|
| Promoters and substantial shareholders | |
| Mokhtar Bin Hashim | Managing Director |
| Cipta Pantas | - |
| Shatar Bin Abdul Hamid | Executive Director |
| Platinum Castle Sdn Bhd | - |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Non-Independent Non-Executive Chairman |
| Estate of Datuk Yahya Bin Ya'acob | - |
| Wong Kong Foo | - |
| WHE Bina Sdn Bhd | - |
| Wan Hamdan Bin Wan Embong | - |
| Directors | |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Non-Independent Non-Executive Chairman |

2. INFORMATION SUMMARY (Cont'd)

| Name | Designation |
|--|------------------------------------|
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Independent Non-Executive Director |
| Mokhtar Bin Hashim | Managing Director |
| Shatar Bin Abdul Hamid | Executive Director |
| Yip Jian Lee | Independent Non-Executive Director |
| Mohd Rizal Bahari Bin Md Noor | Independent Non-Executive Director |
| Wan Muhamad Hatta Bin Wan Mos | Independent Non-Executive Director |
| Dato' Ir. Mohamad Razali Bin Othman | Independent Non-Executive Director |

Key management personnel

| | |
|-------------------------|--|
| Abd Hamid Bin Husin | Deputy General Manager of Project Management |
| Lee Heng Aun | Chief Financial Officer |
| Mazhar Bin Palil | Human Resources and Administration Manager |
| Mad Daud Bin Sukarmin | Maintenance Manager |
| Muhammad Hatta Bin Noah | Supply Chain Management Manager |
| Roslan Bin Mokti | Quality Control Manager |

Details of our Promoters, substantial shareholders, Directors and key management personnel are set out in Section 8 of this Prospectus.

2.5 FINANCIAL HIGHLIGHTS

The pro forma figures are provided for illustrative purposes only and should be read in conjunction with the pro forma consolidated financial information set out in Section 11.1 of this Prospectus, Reporting Accountants' letter on pro forma consolidated financial information in Section 11.2 of this Prospectus and the management discussion and analysis of financial condition and results of operations as set out in Section 12 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)**2.5.1 Pro forma consolidated statements of profit or loss and other comprehensive income**

The following table sets forth an extract of the pro forma consolidated statements of profit or loss and other comprehensive income for the past FYEs 2011 to 2014 which have been prepared for illustration purposes on the assumption that the current structure of our Group existed throughout the FYEs under review.

| | <----- Pro forma Group -----> | | | |
|---|-------------------------------|---------------|---------------|---------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 158,422 | 368,868 | 325,787 | 245,575 |
| Cost of sales | (137,168) | (330,485) | (285,972) | (202,491) |
| Gross profit | 21,254 | 38,383 | 39,815 | 43,084 |
| Other operating income | 217 | 592 | 1,773 | 1,748 |
| Administrative expenses | (6,995) | (12,962) | (14,243) | (12,798) |
| Other expenses | (1,747) | (2,700) | (2,016) | (1,930) |
| Operating profit | 12,729 | 23,313 | 25,329 | 30,104 |
| Finance costs | (90) | (369) | (315) | (246) |
| Share of profit of joint venture | - | 347 | 1,102 | 791 |
| PBT | 12,639 | 23,291 | 26,116 | 30,649 |
| Taxation | (3,109) | (6,487) | (6,613) | (8,751) |
| PAT | 9,530 | 16,804 | 19,503 | 21,898 |
| No. of Shares assumed to be in issued ('000)* | 173,178 | 173,178 | 173,178 | 173,178 |
| EBITDA | 13,911 | 25,836 | 28,951 | 35,183 |
| Gross EPS (sen) | 7.30 | 13.45 | 15.08 | 17.70 |
| Net EPS (sen) | 5.50 | 9.70 | 11.26 | 12.64 |
| Gross profit margin (%) | 13.42 | 10.41 | 12.22 | 17.54 |
| PBT margin (%) | 7.98 | 6.31 | 8.02 | 12.48 |
| PAT margin (%) | 6.02 | 4.56 | 5.99 | 8.92 |
| Effective tax rate (%) | 24.60 | 27.85 | 25.32 | 28.55 |
| Interest coverage (times) | 141.43 | 35.01 | 38.63 | 19.51 |
| No. of Shares assumed to be in issued ('000)^ | 233,878 | 233,878 | 233,878 | 233,878 |
| Diluted net EPS (sen) | 4.07 | 7.18 | 8.34 | 9.36 |

Notes:

* Based on the number of Shares in issue before our IPO.

^ Based on the number of Shares in issue after our IPO.

There were no exceptional or extraordinary items during the financial years under review. Our audited financial statements for the past financial years under review have not been subjected to any audit qualifications.

Detailed information on our pro forma consolidated statements of profit or loss and other comprehensive income is set out in Section 11.1.1 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)**2.5.2 Pro forma consolidated statements of financial position**

The pro forma consolidated statements of financial position as set out below are provided for illustrative purposes only to show the effects on the consolidated statements of financial position of our Group as at 30 June 2014 had our Acquisitions, Group re-organisation, Public Issue and utilisation of proceeds been completed on that date.

| | As At 30 June 2014 RM'000 | Pro forma I After Acquisitions and Group re- organisation (1) RM'000 | Pro forma II After Pro forma I and Public Issue(2) RM'000 | Pro forma III After Pro forma II and utilisation of proceeds(3) RM'000 |
|---|------------------------------------|---|--|---|
| Non-Current Assets | | | | |
| Property, plant and equipment | - | 53,065 | 53,065 | 157,583 |
| Investment in joint venture | - | 3,640 | 3,640 | 3,640 |
| Other investments | - | 50 | 50 | 50 |
| Total Non-Current Assets | - | 56,755 | 56,755 | 161,273 |
| Current Assets | | | | |
| Amount owing by contract customers | - | 12,157 | 12,157 | 12,157 |
| Trade receivables | - | 78,639 | 78,639 | 78,639 |
| Other receivables, deposits and prepayments | 880 | 21,093 | 21,093 | 21,093 |
| Amount owing by joint venture | - | 2,130 | 2,130 | 2,130 |
| Tax recoverable | - | 20 | 20 | 20 |
| Fixed deposits with licensed banks | - | 17,125 | 17,125 | 17,125 |
| Cash and bank balances | 3 | 16,564 | 83,334 | 24,514 |
| Total Current Assets | 883 | 147,728 | 214,498 | 155,678 |
| Total Assets | 883 | 204,483 | 271,253 | 316,951 |
| Equity | | | | |
| Share capital | # | 86,589 | 116,939 | 116,939 |
| Share premium | - | - | 36,420 | 35,510 |
| Merger deficit | - | (77,637) | (77,637) | (77,637) |
| (Accumulated loss)/Retained profits | (41) | 98,455 | 98,455 | 95,865 |
| Capital reserves | - | 17 | 17 | 17 |
| Total Equity attributable to equity holders of the Company | (41) | 107,424 | 174,194 | 170,694 |
| Non-controlling interests | - | - | - | - |
| Total Equity | (41) | 107,424 | 174,194 | 170,694 |
| Non-Current Liabilities | | | | |
| Long-term borrowings | - | 33,210 | 33,210 | 89,905 |
| Total Non-Current Liabilities | - | 33,210 | 33,210 | 89,905 |

2. INFORMATION SUMMARY (Cont'd)

| | As At 30 June 2014 RM'000 | Pro forma I After Acquisitions and Group re- organisation (1) RM'000 | Pro forma II After Pro forma I and Public Issue(2) RM'000 | Pro forma III After Pro forma II and utilisation of proceeds(3) RM'000 |
|---|------------------------------------|---|---|---|
| Current Liabilities | | | | |
| Trade payables | - | 11,778 | 11,778 | 11,778 |
| Other payables and accruals | 13 | 39,437 | 39,437 | 39,437 |
| Amount owing to a related party | 911 | - | - | - |
| Dividend payable | - | 210 | 210 | 210 |
| Provision for taxation | - | 3,735 | 3,735 | 3,735 |
| Short-term borrowings | - | 7,497 | 7,497 | - |
| Bank overdrafts | - | 1,192 | 1,192 | 1,192 |
| Total Current Liabilities | 924 | 63,849 | 63,849 | 56,352 |
| Total Liabilities | 924 | 97,059 | 97,059 | 146,257 |
| Total Equity and Liabilities | 883 | 204,483 | 271,253 | 316,951 |
| Current ratio | - | 2.31 | 3.36 | 2.76 |
| Borrowings (all interest bearing debts) | - | 41,899 | 41,899 | 91,097 |
| Gearing ratio (times) | - | 0.39 | 0.24 | 0.53 |
| NA | (41) | 107,424 | 174,194 | 170,694 |
| NA per share (sen) | (10,250) | 0.62 | 0.74 | 0.73 |

Notes:

- (1) Incorporates the effects of the Acquisitions and Group re-organisation as set out in Section 5.3 of this Prospectus.
- (2) Incorporates the effects of Pro forma (I) and Public Issue.
- (3) Incorporates the effects of Pro forma (II) and utilisation of proceeds as set out in Section 3.10 of this Prospectus.
- # Represents RM20 of the subscribers' shares.

Detailed information on our pro forma consolidated statements of financial position is set out in Section 11.1.2 of this Prospectus.

2.5.3 Pro forma consolidated statement of cash flows

The pro forma consolidated statement of cash flows for the FYE 2014 as set out below are provided for illustrative purposes only and are based on the assumption that the current structure of our Group existed throughout the financial years under review and adjusted to reflect our Acquisitions, Group re-organisation, Public Issue and utilisation of proceeds.

| | FYE 2014 RM'000 |
|---|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| PBT | 28,059 |

2. INFORMATION SUMMARY (Cont'd)

| | FYE 2014 RM'000 |
|---|----------------------------|
| Adjustments for: | |
| Depreciation of property, plant and equipment | 3,380 |
| Gain on disposal of property, plant and equipment | (5) |
| Impairment losses on: | |
| - trade receivables | 425 |
| - property, plant and equipment | 160 |
| Interest income | (502) |
| Interest expense | 1,656 |
| Property, plant and equipment written off | # |
| Listing expenses | 2,590 |
| Share of profit of joint venture | (791) |
| Unrealised gain on foreign exchange | (18) |
| Operating profit before working capital changes | 34,954 |
| Decrease in amount owing by contract customers | 17,720 |
| Increase in trade and other receivables | (36,919) |
| Decrease in trade and other payables | (1,361) |
| CASH FROM OPERATIONS | 14,394 |
| Interest received | 502 |
| Interest paid | (1,656) |
| Tax paid | (7,338) |
| NET CASH FROM OPERATING ACTIVITIES | 5,902 |
| CASH FLOWS FOR INVESTING ACTIVITIES | |
| Purchase of property, plant and equipment | (56,643) |
| Proceeds from disposal of property, plant and equipment | 5 |
| NET CASH FOR INVESTING ACTIVITIES | (56,638) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Dividend paid | (850) |
| Placement of pledged deposits | (937) |
| Proceeds from issuance of shares pursuant to public issue | 66,770 |
| Payment of listing expenses | (3,500) |
| Repayment of invoice financing | (3,984) |
| Repayment of hire purchase obligations | (749) |
| Repayment of term loans | (6,458) |
| NET CASH FROM FINANCING ACTIVITIES | 50,292 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (444) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 23,766 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 23,322 |

2. INFORMATION SUMMARY (Cont'd)

| | FYE 2014 RM'000 |
|--|----------------------------|
| CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: | |
| Fixed deposits with licensed banks | 17,125 |
| Cash and bank balances | 24,514 |
| Bank overdrafts | (1,192) |
| | <u>40,447</u> |
| Less: Fixed deposits pledged to licensed banks | (17,125) |
| | <u>23,322</u> |

Note:

Less than RM1,000.

2.5.4 Dividend Policy

As we are a holding company, our Company's income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

Further details of our dividend policy are set out in Section 12.16 of this Prospectus.

2.6 PRINCIPAL STATISTICS RELATING TO OUR IPO

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

| | |
|--|----------------------|
| IPO Price | RM1.10 |
| 60,700,000 Issue Shares for subscription by: | |
| • Malaysian Public via balloting | 11,694,000 |
| • Identified investors via private placement | 46,006,000 |
| • Eligible Directors and employees | 3,000,000 |
| 5,890,000 Offer Shares for subscription by: | |
| • Identified investors via private placement | 5,890,000 |
| Total enlarged issue and paid-up share capital after Listing | 233,878,000 |
| Market capitalisation at our IPO Price | RM257,265,800 |

The IPO Price is payable in full upon Application, subject to the terms and conditions of this Prospectus. The basis of arriving at our IPO Price is set out in Section 3.7 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.7 UTILISATION OF PROCEEDS

The total estimated gross proceeds to be raised by our Company from the Public Issue of RM66.77 million shall be utilised in the following manner:

| | Time frame | RM'000 | % |
|--|------------|---------------|--------------|
| 1. Purchase of offshore support vessel | 12 months | 35,320 | 52.9 |
| 2. Development of minor fabrication yard | 18 months | 12,000 | 18.0 |
| 3. Repayment of bank borrowings | 6 months | 8,000 | 12.0 |
| 4. General working capital | 12 months | 7,950 | 11.9 |
| 5. Estimated listing expenses | 3 months | 3,500 | 5.2 |
| Total | | 66,770 | 100.0 |

There is no minimum subscription to be raised from our IPO.

Detailed information on our utilisation of proceeds is set out in Section 3.10 of this Prospectus.

2.8 RISK FACTORS

Before applying for our IPO Shares, you should carefully consider the following material risk factors in addition to the other information contained elsewhere in this Prospectus.

(a) Risks relating to the industry in which our group operates:

- Global economic slowdown
- Sustained fall in the market price of hydrocarbons
- Depletion of hydrocarbon resources
- Changes in PETRONAS policy

(b) Risks relating to our Group:

- Dependency on major customers
- Dependency on the Peninsular Malaysia HUC Contract
- Dependency on experienced management and key personnel
- Competition from existing competitors within the industry

(c) Risks relating to the investment in our Shares:

- No prior market for our Shares
- Failure/delay in or abortion of our Listing
- Dividend payment
- Continued control by our Promoters
- Trading price and volume of our Shares
- Underwriting risk

(d) Other risks:

- Political and economic risks
- Forward-looking/prospective statements

For a more detailed commentary, please refer to Section 4 of this Prospectus.

3. PARTICULARS OF OUR IPO

3.1 INTRODUCTION

This Prospectus is dated 23 October 2014. Our IPO is subject to the terms and conditions of this Prospectus.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus together with the Application Forms with the Registrar of Companies, who takes no responsibility for their contents.

We received the SC's approval for our IPO and Listing on 30 June 2014. The approval of the SC shall not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness or any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of our Shares being offered for investment. The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any part of the contents of this Prospectus.

You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company.

We have also obtained the approval from Bursa Securities on 3 September 2014, for, *inter-alia*, our admission to the Official List of the Main Market of Bursa Securities and for permission to deal in and for the listing of and quotation for all our Shares on the Main Market of Bursa Securities.

Our Shares will be admitted to the Official List of the Main Market of Bursa Securities and an official quotation will commence after, *inter-alia*, the receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been issued and despatched to all the successful applicants. Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares and/or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with SICDA and Rules of Bursa Depository. We will not issue any share certificate to the successful applicants.

Pursuant to the Listing Requirements, at least 25% of our issued and paid-up share capital must be in the hands of 1,000 public shareholders, each holding not less than 100 Shares upon admission to the Main Market of Bursa Securities. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely only on the information contained in this Prospectus or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become

3. PARTICULARS OF OUR IPO (Cont'd)

aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

You must have a CDS account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares. In the case of an application by way of Electronic Share Application, you shall furnish your CDS account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

This Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

3.2 OPENING AND CLOSING OF APPLICATION PERIOD

The application period will open at 10.00 a.m. on 23 October 2014 and will remain open until at 5.00 p.m. on 29 October 2014 or such further period or periods as our Directors and the Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

Our Directors and Underwriter may in their absolute discretion mutually decide to extend the closing date and time for application of our IPO to any later date or dates. In the event the closing date for application is extended, we will advertise the notice of the extension in a widely-circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the application for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly.

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3. PARTICULARS OF OUR IPO (*Cont'd*)

3.3 IMPORTANT TENTATIVE DATES

| Events | Tentative Dates |
|---|------------------|
| Issuance of this Prospectus/Opening of Application for our IPO | 23 October 2014 |
| Closing of application for our IPO | 29 October 2014 |
| Balloting of the application for our IPO Shares (as defined herein) | 31 October 2014 |
| Allotment of our IPO Shares to successful applicants | 6 November 2014 |
| Date of Listing | 10 November 2014 |

These dates are tentative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors and the Underwriter may, in their absolute discretion, mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting, allotment of IPO Shares and the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities would be extended accordingly. Any change to the closing date of the application will be advertised in the widely circulated English and Bahasa Malaysia newspapers in Malaysia.

3.4 DETAILS OF OUR IPO

3.4.1 Public Issue

A total of 60,700,000 new Issue Shares, representing approximately 25.95% of the enlarged issued and paid-up share capital, is offered at our IPO Price and is subject to the terms and conditions of this Prospectus and upon acceptance, our Issue Shares shall be allocated in the following manner:

- (a) 11,694,000 Issue Shares will be made available for application by the Malaysian Public, to be allocated via balloting;
- (b) 3,000,000 Issue Shares made available to our eligible Directors and employees also known as Pink Form Allocations; and
- (c) 46,006,000 Issue Shares by way of private placement to identified investors.

The Issue Shares shall rank *pari passu* in all respects with our existing issued Shares including the voting rights and will be entitled to all rights and dividends and other distributions, the entitlement date of which is subsequent thereof.

Upon completion of our Public Issue, our issued and paid-up share capital will increase from RM86,589,000 comprising 173,178,000 Shares to RM116,939,000 comprising 233,878,000 Shares.

The basis of allocation for our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants in view of broadening our shareholding base to meet the public spread requirements and to establish a liquid and adequate market in the Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

3. PARTICULARS OF OUR IPO (*Cont'd*)

There is no over-allotment or 'greenshoe' option that will result in an increase in the amount of IPO Shares.

3.4.2 Offer for Sale

The offer for sale of 5,890,000 Offer Shares, representing 2.52% of our enlarged issued and fully paid-up share capital, at our IPO Price to be offered by our Offerors to identified investors by way of private placement and is payable in full on application upon such terms and conditions as set out in this Prospectus.

The details of our Offerors who are offering the Offer Shares and his/it relationship with our Group are as follows:

| Name | Material relationship with our Group | Before IPO ⁽¹⁾ | | Offer Shares offered | | | After IPO | |
|-------------------------|---|---------------------------|-------|----------------------|------------------|------------------|-------------------|------------------|
| | | No. of CPB Shares | % | No. of CPB Shares | % ⁽²⁾ | % ⁽³⁾ | No. of CPB Shares | % ⁽⁴⁾ |
| Mokhtar Bin Hashim | Managing Director, Promoter and substantial shareholder | 77,064,634 | 44.50 | 3,390,000 | 1.96 | 1.45 | 73,674,634 | 31.50 |
| Platinum Castle Sdn Bhd | Promoter and substantial shareholder | 32,500,000 | 18.77 | 2,500,000 | 1.44 | 1.07 | 30,000,000 | 12.83 |

Notes:

(1) After the completion of the Acquisitions.

(2) Based on our issued and paid-up share capital of 173,178,000 Shares before our IPO.

(3) Based on our issued and paid-up share capital of 233,878,000 Shares after our IPO.

(4) After the Offer for Sale.

* Offerors' addresses:

| Name | Address |
|-------------------------|---|
| Mokhtar Bin Hashim | 15, Jalan Menara U8/7 Bukit Jelutong 40150 Shah Alam Selangor |
| Platinum Castle Sdn Bhd | Third Floor, No 79 (Room A), Jalan SS21/60, 47400 Damansara Utama Selangor |

Further details of our Offerors can be found in Section 8 of this Prospectus.

Our Offerors shall bear all the expenses such as placement and miscellaneous fees estimated to be approximately RM0.13 million relating to the Offer for Sale. The Offer Shares are not underwritten by our Underwriter.

Save as disclosed above, there are no other offeror in conjunction with our IPO who has a material relationship with our Group for the past 3 years.

3. PARTICULARS OF OUR IPO (Cont'd)

14,694,000 Issue Shares available for application by the Malaysian Public and our eligible Directors and employees will be underwritten while the 51,896,000 IPO Shares reserved under the private placement will not be underwritten and will be placed out by M&A Securities, our Placement Agent. Please refer to Sections 3.11 and 3.12 of this Prospectus for further details on the underwriting and placement arrangements.

Any of our Issue Shares not subscribed for under Section 3.4.1(a) and Section 3.4.1(b) shall be made available to identified investors via private placement. Thereafter, any remaining re-offered Issue Shares that have not been subscribed for will then be subscribed for by our Underwriter based on the terms of the Underwriting Agreement. However, in the event that all of our Issue Shares under Section 3.4.1(a) are oversubscribed, shares not subscribed for under Sections 3.4.1(b), 3.4.1(c) and Section 3.4.2, if any, will be made available for application for subscription by the Malaysian Public.

3.4.3 Pink form allocations

We have allocated 3,000,000 Issue Shares to our eligible Directors and employees under the Pink Form Allocations as follows:

| Category | No. of persons | No. of Issue Shares allocated |
|--------------------|----------------|-------------------------------|
| Eligible Directors | 8 | 1,300,000 |
| Eligible employees | 108 | 1,700,000 |
| Total | 116 | 3,000,000 |

The criteria of allocation for the abovementioned Issue Shares to our eligible Directors and employees (as approved by our Board) are based on, *inter-alia*, the following:

- (i) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (ii) Full time employee of at least 18 years of age.

Details of the proposed allocation to our Directors are as follows:

| Name of Director | Designation | No. of Issue Shares allocated |
|--|--|-------------------------------|
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Non-Independent Non-Executive Chairman | 50,000 |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Independent Non-Executive Director | 50,000 |
| Mokhtar Bin Hashim | Managing Director | 750,000 |

3. PARTICULARS OF OUR IPO (Cont'd)

| Name of Director | Designation | No. of Issue Shares allocated |
|-------------------------------------|------------------------------------|--------------------------------------|
| Shatar Bin Abdul Hamid | Executive Director | 250,000 |
| Yip Jian Lee | Independent Non-Executive Director | 50,000 |
| Mohd Rizal Bahari Bin Md Noor | Independent Non-Executive Director | 50,000 |
| Wan Muhamad Hatta Bin Wan Mos | Independent Non-Executive Director | 50,000 |
| Dato' Ir. Mohamad Razali Bin Othman | Independent Non-Executive Director | 50,000 |
| Total | | 1,300,000 |

3.5 SHARE CAPITAL

Upon completion of our IPO exercise, our share capital would be as follows:

| | No. of Shares | Par Value RM | RM |
|---|----------------------|---------------------|--------------------|
| Authorised share capital | 600,000,000 | 0.50 | 300,000,000 |
| Issued and fully paid-up | | | |
| As at the date of this Prospectus | 173,178,000 | 0.50 | 86,589,000 |
| To be issued pursuant to the Public Issue | 60,700,000 | 0.50 | 30,350,000 |
| Enlarged issued and paid-up share capital upon Listing | 233,878,000 | 0.50 | 116,939,000 |
| Market capitalisation <i>(based on our IPO Price and the enlarged issued and paid-up share capital upon Listing)</i> | | | 257,265,800 |

Note:

The Offer for Sale would not have any effect on our issued and paid-up share capital.

Our IPO Price is payable in full upon application.

As at the date of this Prospectus, we have only 1 class of shares, being ordinary shares of RM0.50 each, all of which rank *pari passu* amongst one another. Our IPO Shares will, upon allotment and issue, rank *pari passu* in all respects with our existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our IPO Shares.

3. PARTICULARS OF OUR IPO (Cont'd)

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profit paid out by us as dividends and other distributions and any surplus in the event of the liquidation of our Group, in accordance with our Memorandum and Articles of Association.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. On a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have 1 vote, and in the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held. A proxy may but need not be a member of our Group and the provisions of Section 149(1)(b) of the Act shall not apply to our Group.

3.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) to obtain the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities;
- (b) to enable our Group to raise funds for the purposes specified in Section 3.10 herein;
- (c) to enable us to gain access to the capital market to raise funds for our future expansion and growth;
- (d) to provide an opportunity for the Malaysian Public, our eligible Directors and employees to participate in our equity and continuing growth; and
- (e) to enable our Group to gain recognition through its listing status and further enhance our corporate reputation and image which is aimed at expanding our customer base.

3.7 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as the Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) The net PE Multiple of about 11.75 times based on our net EPS of approximately 9.36 sen for the FYE 2014 and our enlarged issued and paid-up share capital upon Listing of 233,878,000 Shares;
- (b) Our pro forma consolidated NA per Share as at FYE 2014 after the Public Issue is RM0.74 based on our pro forma audited consolidated NA as at FYE 2014 of approximately RM174.19 million and our enlarged issued and paid-up share capital upon Listing of 233,878,000 Shares;

3. PARTICULARS OF OUR IPO (Cont'd)

- (c) Our historical financial track record for the past 4 financial years including our revenue, gross profits, PAT and EPS as follows:

| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE2014 RM'000 |
|--------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Revenue | 158,422 | 368,868 | 325,787 | 245,575 |
| Gross profit | 21,254 | 38,383 | 39,815 | 43,084 |
| PAT | 9,530 | 16,804 | 19,503 | 21,898 |
| EPS (sen) * | 4.07 | 7.18 | 8.34 | 9.36 |

Note:

* Calculated based on our enlarged issued and paid-up share capital upon Listing of 233,878,000 Shares.

- (d) Peninsular Malaysia HUC Contract which was awarded to us on 13 November 2013, which has a duration of 5 years up to 2018 and an estimated work value of RM899 million;
- (e) Our Group's future plans and prospects, as follows:
- Implementation of Peninsular Malaysia HUC Contract;
 - Purchase of vessel;
 - Development of minor fabrication yard; and
 - Provision of marine services to external customers.

Further details of our future plans and prospects are further described in Section 6.17 of this Prospectus; and

- (f) The performance of the oil and gas industry in recent years was as follows:

| Oil and Gas Industry Indicators | Average Annual Growth Rate (%) |
|--|---------------------------------------|
| Oil and Gas Fields in Operation ⁽¹⁾ | 8.3 |
| PSC in Operation ⁽¹⁾ | 7.0 |
| Total Investment in Upstream Activities ⁽¹⁾ | 4.9 |
| Average Production of Oil and Gas ⁽¹⁾ | # |
| Oil and Gas Reserves ⁽²⁾ | 2.5 |

Notes: # Less than 0.1%; (1) AAGR is between 31 March 2007 and 31 March 2011; (2) AAGR is between 1 January 2009 and 1 January 2013.

(Source: Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

However, you should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You should form your own views on the valuation of our IPO Shares before deciding to invest in them.

3. PARTICULARS OF OUR IPO (*Cont'd*)

You are reminded to carefully consider the risk factors as set out in Section 4 of this Prospectus and form your own views on the valuation of our IPO Shares before deciding to invest in our Shares.

3.8 TOTAL MARKET CAPITALISATION

Based on our IPO Price and our enlarged issued and paid-up share capital comprising 233,878,000 Shares upon Listing, our total market capitalisation is RM257,265,800.

3.9 DILUTION

Dilution is the amount by which our IPO Price to be paid pursuant to the Public Issue exceeds the NA per Share immediately after IPO. Our pro forma consolidated NA per Share as at FYE 2014 after the Acquisitions and Group re-organisation but before adjusting for the utilisation of gross proceeds to be raised from the Public Issue and based on the issued and fully paid-up share capital as at the date of this Prospectus of 173,178,000 Shares was RM0.62.

Pursuant to the IPO, our pro forma consolidated NA per Share as at FYE 2014 after adjusting for the utilisation of gross proceeds to be raised from the Public Issue and based on the enlarged issued and paid-up share capital upon Listing of 233,878,000 Shares would have been RM0.74.

This represents an immediate increase in the pro forma consolidated NA per Share to our existing shareholders of RM0.12, and an immediate dilution in the pro forma consolidated NA per Share of RM0.36 to our new public investors. The following table illustrates such dilution on a per Share basis:

| | RM |
|--|-----------|
| IPO Price | 1.10 |
| Our pro forma consolidated NA per Share as at FYE 2014 before taking into account the Public Issue | 0.62 |
| Increase in the pro forma consolidated NA per Share attributable to existing shareholders | 0.12 |
| Our pro forma consolidated NA per Share as at FYE 2014 after taking into account the Public Issue | 0.74 |
| Dilution in the pro forma consolidated NA per Share to our new public investors | 0.36 |
| Dilution in the pro forma consolidated NA per Share as a percentage of our IPO Price | 32.7% |

3. PARTICULARS OF OUR IPO (Cont'd)

The following table shows the average effective cost per Share paid by our existing shareholders for Shares acquired by them for the past 3 years prior to the date of this Prospectus as well as new investors who subscribe for our Shares pursuant to our IPO:

| Shareholders | No. of Shares received | Total consideration RM | Average effective cost per Share RM |
|--|------------------------|---------------------------|--|
| Cipta Pantas | 40,710,128 | 20,355,064 | 0.50 |
| Mokhtar Bin Hashim | 77,064,634 | 38,532,317 | 0.50 |
| Platinum Castle Sdn Bhd | 32,500,000 | 16,250,000 | 0.50 |
| Shatar Bin Abdul Hamid | 15,903,238 | 7,951,619 | 0.50 |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | 7,000,000 | 3,500,000 | 0.50 |
| Total* | 173,178,000 | 86,589,000 | 0.50 |
| New investors from the Public Issue | 60,700,000 | 66,770,000 | 1.10 |

Note:

* Issued pursuant to the Acquisitions.

Apart from the Issue Shares received by our Directors/substantial shareholders pursuant to the Acquisitions, there is no material acquisition of any existing Shares that involved cash in our Company by our Directors, senior management, substantial shareholders or persons connected with them, or in which they have the right to acquire, during the past 3 years prior to the date of this Prospectus.

3.10 UTILISATION OF PROCEEDS

The estimated gross proceeds arising from the Public Issue of RM66.77 million shall accrue entirely to us and are planned to be utilised within 3 to 18 months from the date of our Listing in the following manner:

| Utilisation of Proceeds | Time frame | Notes | RM'000 | % |
|--|------------|-------|---------------|--------------|
| 1. Purchase of offshore support vessel | 12 months | (i) | 35,320 | 52.9 |
| 2. Development of minor fabrication yard | 18 months | (ii) | 12,000 | 18.0 |
| 3. Repayment of bank borrowings | 6 months | (iii) | 8,000 | 12.0 |
| 4. General working capital | 12 months | (iv) | 7,950 | 11.9 |
| 5. Estimated listing expenses | 3 months | (v) | 3,500 | 5.2 |
| Total | | | 66,770 | 100.0 |

Notes:

(i) Purchase of offshore support vessel

In March 2014, we had entered into a Memorandum of Agreement to acquire an additional Accommodation Workboat (AWB), Carimin Acacia for a total purchase consideration of USD24.75 million (or RM81.68 million based on the exchange rate of

3. PARTICULARS OF OUR IPO (Cont'd)

USD1 : RM3.30). Carimin Acacia shall be used for our offshore hook up and commissioning, and production platform system maintenance and upgrading services contract and is scheduled for delivery in June 2015.

The total cost of the AWB, together with its required equipments is estimated to cost as follows:

| Details | RM million |
|--|-------------------|
| Carimin Acacia (vessel) | 81.68 |
| Crane | 3.63 |
| Other equipment including mooring wire, hydraulic gangway and other fittings | 9.69 |
| Total | 95.00 |

The AWB is integral to our offshore hook up and commissioning, and production platform system maintenance and upgrading services and the purchase of the vessel will allow us to reduce our reliance on chartering these vessels from third-party operators. Additionally, it will also be able to develop our marine services business as part of our future revenue generation plans by chartering our vessels out to external customers that will maximise our vessel utilisation throughout the year.

As at the LPD, the Company has paid RM2.48 million as deposit. The balance shall be paid via proceeds from the Listing of RM35.32 million and via bank financing of RM57.20 million.

(ii) Development of minor fabrication yard

We plan to develop our existing minor fabrication yard measuring approximately 78,448 sq ft at Kawasan Industri Telok Kalong, Kemaman, Terengganu.

The development of the yard is to support our existing operation and enhance our capability.

Our plan is to develop the yard to include facilities comprising an abrasive blasting chamber, a laydown area, an open workshop and an office building besides equipping it with additional new equipment such as welding equipment, air compressors, and generator sets that would reduce the need to lease and rent equipment and facilities from our suppliers and third-party operators.

Commencement of development at our yard and purchase of new equipment is expected to be completed in FYE 2015/2016.

(iii) Repayment of bank borrowings

Our IPO proceeds of RM8.0 million will be utilised for the repayment of invoice financing facilities to United Overseas Bank Malaysia Berhad (UOB). This will allow our Group to optimise our financial position, and reduce interest costs by between RM0.24 million and RM0.40 million per year based on the effective interest rate ranging between 3 – 5% per annum. The tenure of the borrowings to be repaid ranges between 6 months to 1 year. These borrowings were drawn for our working capital requirements. However, the actual interest saving may vary depending on the applicable interest rate at the point of repayment.

3. PARTICULARS OF OUR IPO (Cont'd)**(iv) General working capital**

Our IPO proceeds of RM7.95 million earmarked for working capital is expected to enhance our Group's cash flows position and enable us to conduct our operations smoothly as we expect to utilise the additional working capital to finance our day to day operations which include payment for operating expenses, purchase of materials and other service providers.

The breakdown for the utilisation of RM7.95 million is as follows:

| Utilisation of Proceeds | RM'000 |
|---|---------------------|
| Day-to-day operational expenses for site operations including payment to service providers in relation to our future expansion plans [@] | 5,500 |
| Purchase of small tools used for our operations | 1,000 |
| Purchase of consumables used for our operations | 1,450 |
| | <u>7,950</u> |

Note:

@ The RM5.5 million is allocated as working capital for our future expansion plans as set out in Section 6.17. Our existing operations are supported by our internally generated cashflow.

(v) Listing expenses

The amount allocated of RM3.5 million is based on the estimated cost for our Listing. If our actual Listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual Listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements. The following summarises the estimated expenses incidental to our Listing to be borne by our Group as follows:

| Estimated Listing Expenses | RM'000 | % |
|--|---------------------|---------------------|
| Professional fees * | 1,500 | 42.9 |
| Fees payable to the authorities | 200 | 5.7 |
| Underwriting, placement and brokerage fees | 1,300 | 37.1 |
| Printing and advertising fees | 200 | 5.7 |
| Contingencies ^ | 300 | 8.6 |
| Total | <u>3,500</u> | <u>100.0</u> |

Notes:

* Includes advisory fees for, amongst others, our Adviser, Solicitors, Reporting Accountants and IMR.

^ Other incidental or related expenses in connection with our IPO.

Our utilisation of the proceeds raised from our IPO is expected to have a financial impact on our Group in the following manner:

(a) Enhancement of working capital

We will utilise RM7.95 million of our IPO proceeds for our working capital requirements. Our cash and cash equivalents will increase to approximately RM23.32

3. PARTICULARS OF OUR IPO (Cont'd)

million after our Listing that will also enable us to reduce the use of external funding to finance our daily operations.

(b) Increase in revenue and profitability

The utilisation of our IPO proceeds amounting to RM35.3 million and RM12.0 million for the purchase of our own offshore support vessel, and the development of our minor fabrication yard respectively is expected to enhance our marine services and fabrication capabilities and efficiencies to undertake more contracts competitively within the oil and gas segment we operate in. This will in turn contribute to further business growth and increase in our Group's revenue and profitability.

3.11 BROKERAGE, PLACEMENT AND UNDERWRITING COMMISSION

Brokerage is payable by us in respect of our Issue Shares which are made available for application by the Malaysian Public at the rate of 1.0% of our IPO Price in respect of successful applications which bear the stamp of either M&A Securities, the Adviser, Underwriter and Participating Agent, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

The placement fee is payable by us to M&A Securities, our Placement Agent at a rate of 3.0% of our IPO Price in respect of the number of IPO Shares successfully placed out.

The Underwriter has agreed to underwrite up to 14,694,000 IPO Shares, the details of which are set out in Section 3.4 of this Prospectus. The underwriting commission is payable by us at the rate of 2.0% of our IPO Price in respect of the 14,694,000 IPO Shares to be underwritten.

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite up to 14,694,000 IPO Shares as set out in Section 3.4 of this Prospectus.

The following are the salient terms contained in the Underwriting Agreement. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:-

- 1.1 Subject to the terms and conditions of the Underwriting Agreement, M&A Securities has agreed to underwrite 14,694,000 IPO Shares as set out in Section 3.4 of this Prospectus.
- 1.2 The obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon ("Conditions Precedent"):
 - (a) The Underwriter being provided with such reports or confirmation and being satisfied on the Closing Date that:
 - (i) no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Group taken as a whole from that subsequent to the date of the Underwriting Agreement; or
 - (ii) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings in Clauses 3 and 4 materially untrue or inaccurate or

3. PARTICULARS OF OUR IPO (Cont'd)

result in a material breach of the Underwriting Agreement by the Company;

- (b) The Underwriter receiving a certificate in the form or substantially in the form contained in the Second Schedule (Certificate) of the Underwriting Agreement dated the Closing Date signed by the duly authorised officers of the Company stating inter alia that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 3 of the Underwriting Agreement;
- (c) The Underwriter receiving copies certified by a director or the company secretary of the Company to be a true and accurate copy and in full force and effect of a resolution of the directors:
 - (i) approving the Prospectus and the application forms, the Underwriting Agreement and the transactions contemplated by it;
 - (ii) authorising a person to sign and deliver the Underwriting Agreement on behalf of the Company;
- (d) The Underwriting Agreement being duly signed by all parties and stamped;
- (e) The Shares not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by the Company under such laws for or in connection with the Shares and/or the Listing and Quotation have been obtained and are in force on the Closing Date or the Underwriter being reasonably satisfied that the same will be in force on the Closing Date;
- (f) The Underwriter being satisfied that the Company has complied with and that the Shares are in compliance with the policies, guidelines and requirements of the SC and Bursa Securities and all revisions, amendments and/or supplements to it;
- (g) The FTSE Bursa Malaysia Kuala Lumpur Composite Index being not lower than ninety percent (90%) of the level of the Index for at least three (3) consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;
- (h) There being no breach of and/or failure to perform any of the terms and/or the undertakings contained in the Underwriting Agreement by the Company;
- (i) SC having registered the Prospectus;
- (j) the offering of the Shares having been approved by SC and any other relevant authority or authorities and remaining in full force and effect and that all Conditions Precedent to the approvals (except for any which can only be complied with after the Retail Offering has been completed) have been complied with;
- (k) The Underwriting Agreement having become unconditional in all respects (save for any condition requiring the Underwriting Agreement to be

3. PARTICULARS OF OUR IPO (Cont'd)

- unconditional) and not having been terminated or rescinded pursuant to the provisions thereof and upon the Underwriter's (in this regard, in its capacity as the placement agent for the Placement Shares) receipt of the full subscription monies for the Placement Shares on or before the last date for payment of the Placement Shares;
- (l) the delivery to the Registrar of Companies of the Prospectus for registration in accordance with the requirements of Section 42 of the Act; and
 - (m) the launching of Prospectus taking place within three (3) months from the date of the Underwriting Agreement or such other later date as the Underwriter and the Company may from time to time agree in writing.
- 1.3 If after the conditions precedent in Clause 7.1 have been complied with and the Company decides not to proceed with the IPO, the Underwriter may treat itself as so released or discharged from its obligations and the provisions of Clause 9.2 shall apply.
- 1.4 The Underwriter may waive all or any of the conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.
- 1.5 If any of the conditions in Clauses 7.1(c), (d), (l) and / or (m) are not satisfied within three (3) months from the date of the Underwriting Agreement or such other later date as the Underwriter and the Company may from time to time agree in writing and / or if any of the conditions in Clauses 7.1(a), (b), (e) to (j) to the extent not waived are not satisfied by the Closing Date, the Underwriter after consultation with the Company shall be entitled to terminate the Underwriting Agreement pursuant to Clause 9 and thereafter the parties shall be released and discharged from their obligations hereunder but without prejudice to the rights of the Underwriter under Clause 9.2.
- 1.6 Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if:-
- (a) in the reasonable opinion of the Underwriter, there shall have been such a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates that would materially prejudice the success of the IPO; or
 - (b) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter (including but not limited to, acts of government, strikes, national disorder, declaration of a state of emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunami, widespread diseases, acts of war, sabotage, acts of God etc) which would have, or can reasonably be expected to have, a material adverse effect on the business or the operations of the Company or the success of the IPO, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (c) there shall be the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities which would materially prejudice the success of the IPO; or

3. PARTICULARS OF OUR IPO (Cont'd)

- (d) there shall be any development, occurrence or any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, ruling or any request or interpretation by the SC, or any other regulatory authority, whether or not having the force of law, or occurrence of any other nature, which will materially and adversely affect the Company and the success of the IPO, the business and/or prospects of the Company and/or the Group, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (e) there is any government requisition or occurrence of any other nature which materially and adversely affects or will materially and adversely affect the business and/or financial position of the Company and/or the Group; or
 - (f) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:-
 - (1) on or after the date of this Agreement; and
 - (2) prior to the allotment of the IPO Shares,
lower than ninety percent (90%) of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least three (3) Market Days; or
 - (g) there is any breach by the Company of any of the representations, warranties and undertakings set forth in Clauses 3 and 4 which materially and adversely affects the success of the IPO, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (h) there is any failure on the part of the Company to perform any of its obligations under the Underwriting Agreement; or
 - (i) there is any withholding by the Company of any information of a material nature from the Underwriter which will have or may reasonably be expected to have a material and adverse effect on the success of the IPO, the business and/or prospects of the Company and/or the Group, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (j) there is any material and adverse change to the business and/or financial position of the Company and/or the Group.
- 1.7 If the Underwriter terminates its obligation pursuant to Clauses 9.1, the parties shall be released and discharged from their respective obligations hereunder save for the Underwriter's rights to the following:
- (a) full payment of the Underwriting Commission;
 - (b) costs and expenses referred to in Clause 17.3(b) hereof (including late interest payment, if applicable); and
 - (c) right to be indemnified by the Company pursuant to Clause 5.

4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

4.1 RISKS RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES

4.1.1 Global economic slowdown

Any widespread and/or prolonged economic slowdown would affect consumer and business confidence, and subsequently their propensity to spend. The uncertainty over the global economies, particularly resulting from the euro zone debt problem, may also impact the local economy. This slowdown would ultimately affect the demand for oil and gas supporting services.

However, various initiatives introduced by the Government such as the Economic Transformation Plan (ETP), particularly the implementation of various Entry Point Projects (EPP) under the oil, gas and energy banner will continue to provide opportunities for the oil and gas supporting services industry.

These initiatives are expected to generate domestic business activities and domestic consumption, which will in turn help counter the slowdown in the local economy.

(Source: Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

4.1.2 Sustained fall in the market price of hydrocarbons

Hydrocarbons, including crude petroleum and natural gas, are internationally traded commodities that are subject to price fluctuations. Geopolitical factors, economic conditions and unforeseen supply disruptions may also influence the market price of hydrocarbons.

Activities in the oil and gas industry are, to some degree, affected by fluctuations in the market price of hydrocarbons, for instance activities tend to increase during periods of sustained high hydrocarbon prices. This is due to elevated production activity, as well as increased activity in exploration and development. Conversely, activities tend to decline during periods of sustained low hydrocarbon prices. This is due to lower production activity, as well as temporarily reducing or shutting down production from reserves that are no longer commercially viable. Exploration activity, however, will still continue.

There is a risk that sustained low price of hydrocarbons will negatively affect activities in the oil and gas industry, leading to lower demand for oil and gas supporting services.

The Organization of the Petroleum Exporting Countries (OPEC), a grouping that includes many of the world's largest oil producing nations, has some influence on the price of oil through their control of a sizeable proportion of the world's production capacity and reserves.

Although the influence of OPEC over the market price of oil is not absolute, the grouping has a vested interest in ensuring that oil prices do not collapse, and as such are likely to actively attempt to sustain oil prices at an "acceptable" level.

(Source: Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

4. RISK FACTORS (Cont'd)

4.1.3 Depletion of hydrocarbon resources

All hydrocarbon deposits are non-renewable where it is not possible to regenerate hydrocarbons within a reasonable timeframe once they have been extracted. As such, hydrocarbon resources in all hydrocarbon-producing regions, including Malaysia, will eventually be depleted.

It is likely that demand for oil and gas supporting services in Malaysia will be affected should there be a decline in upstream activities brought about by the depletion of hydrocarbon resources.

The National Depletion Policy in Malaysia, which was introduced in 1980 to conserve oil and gas resources by imposing production limits, will ensure that extraction is carefully managed and sustainable over the long term.

The relatively long period of time before current reserves of hydrocarbons in Malaysia are expected to be completely depleted enables operators in the oil and gas industry, including oil and gas supporting services providers, to continue to provide their services locally and pursue new areas of growth including other industries and overseas markets.

In addition, current reserve estimates generally tend to be conservative and may underestimate the actual amount of hydrocarbons that are ultimately extracted, as they do not take into account the following:

- The existence of currently undiscovered hydrocarbon reserves;
- Technological advances that increases the amount of hydrocarbons that may be commercially extracted from existing reserves; and
- Technological advances that enable production from previously inaccessible regions.

As such, activities in the overall oil and gas industry may very well continue beyond the current estimated date of complete hydrocarbon reserve depletion.

(Source: Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

4.1.4 Changes in PETRONAS' Policy

A fundamental change in PETRONAS' policy with regards to regulating the oil and gas industry in Malaysia may come about through the liberalisation of the oil and gas industry.

PETRONAS may liberalise the oil and gas industry in Malaysia by:

- Removing licencing requirements for the provision of supporting products and services;
- Loosening licencing requirements such that it becomes easier to obtain a licence; and
- Allowing foreign suppliers to operate in Malaysia without the need to operate with a local partner and other restrictions.

Liberalising the oil and gas industry in this manner will negatively impact incumbent service providers by increasing competition in the industry.

4. RISK FACTORS (Cont'd)

Currently, operators that meet the licencing and registration requirements compete with other operators based on commercial, technological and other factors. In the event of any liberalisation, existing service providers would not be significantly worse off as they are already operating in a competitive environment.

(Source: Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

4.2 RISKS RELATING TO OUR GROUP

4.2.1 Dependency on major customers

We are dependent on our major customers, Petronas Carigali, Petrofac, ExxonMobil and Newfield:

- Petronas Carigali accounted for 16.84%, 69.41%, 66.37% and 59.72% of our total Group revenue for FYE 2011, FYE 2012, FYE 2013 and FYE 2014 respectively;
- Petrofac accounted for 1.63%, 11.35% and 12.38% of our total Group revenue for FYE 2011, FYE 2013 and FYE 2014 respectively;
- ExxonMobil accounted for 22.65%, 12.84% and 7.47% of our total Group revenue for FYE 2011, FYE 2012 and FYE 2013 respectively; and
- Newfield accounted for 4.08%, 0.33%, 0.36% and 10.55% of our total Group revenue for FYE 2011, FYE 2012, FYE 2013 and, FYE 2014 respectively.

There is a risk that losing these major customers may adversely affect our financial performance.

Sections 6.3.2 and 6.13 of this Prospectus detail our existing contracts with our major customers which will ensure our continued relationship with them for the near future. Nonetheless, there is no assurance that our dependency on these customers will not impact our future business performance.

4.2.2 Dependency on the Peninsular Malaysia HUC Contract

With an estimated work value of RM899 million (as set out in Section 6.3.2 of this Prospectus), our Group is dependent on the Peninsular Malaysia HUC Contract to provide offshore hook up and commissioning and topside major maintenance for production platforms located offshore peninsular Malaysia which was secured by us on 13 November 2013 and will expire in May 2018.

Our management foresees that the bulk of our future revenue up to 2018 shall be derived from this contract thus our dependency on this contract. The salient terms of this contract are set out in Section 6.13 of this Prospectus.

We are confident that with our proven track record, experience and our competitive advantages in the required fields of expertise, we are able to deliver or implement our works as set out in the contract without having any material delays in the contract resulting in the risk of termination of the Peninsular Malaysia HUC Contract.

Nevertheless, Petronas Carigali may at any time, terminate this contract without cause by giving 30 days prior written notice. The Peninsular Malaysia HUC Contract is non-exclusive and Petronas Carigali reserves the right to engage other contractors to perform similar or

4. RISK FACTORS (Cont'd)

identical scope of work and/or supply similar or identical goods at any time during the duration of the contract.

4.2.3 Dependency on experienced management and key personnel

The experiences, abilities and efforts of our existing Directors, key management team and technical personnel contribute to the continued success of our Group's business. Having a strong key management team is vital to maintain the quality of our Group's services whilst retaining the business confidence of our customers. The loss of any key personnel from lack of succession planning or replaced timely or an inability to attract and retain personnel can create an unfavourable or material impact on our Group's operations.

Our Group strives to minimise this risk by ensuring that it has the ability to retain the existing Directors, key management as well as technical personnel. Our Group recognises the importance of attracting and retaining the key personnel and have a human resource plan that include suitable remuneration packages, career development, training and development for all levels of staff besides plans for incentive schemes that serve to attract, motivate and retain key personnel.

Although our Group seek to limit and minimise this risk, though, there can be no assurance that the above measures will always be successful in retaining our Directors and key personnel or in ensuring a smooth transition or management succession plan should such key persons no longer be able to serve our Group.

4.2.4 Competition from existing competitors within the industry

Our Group faces competition from existing competitors within the industry we operate in. Some of these existing competitors have fundamentally similar capabilities and compete with each other on key attributes which include resource ability, competency, reliability, range of services provided, experiences as well as a good track record for timely completion of projects.

Although competition exists in the oil and gas supporting services industry, it is imperfect due to requirements for licencing and registration that partly inhibits totally free competition. In addition, there are numerous barriers to entry in the industry, including requirements of pre qualifications by customers based on technical compliance, capacity, proven track record, safety record and experiences in the required areas of expertise such as offshore hook up and commissioning.

Notwithstanding the competitive environment of the industry, our Group is confident that our competitive advantages, niches and strengths will give our Group the edge needed to maintain or secure more contracts and market share within the scope of offshore hook up and commissioning.

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4. RISK FACTORS (Cont'd)

4.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

4.3.3 No prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained. Our IPO Price of RM1.10 per Share was determined after taking into consideration a number of factors including but not limited to our historical earnings, prospects and future plans, our financial and operating history and the market value of our assets. There can be no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the Main Market of Bursa Securities upon or subsequent to our Listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

The price at which our Shares will trade on the Main Market of Bursa Securities after our IPO may be influenced by a number of factors including, amongst others, the depth and liquidity of the market for our Shares, investors' individual perceptions of our Group, market and economic conditions.

4.3.4 Failure/delay in or abortion of our Listing

Our Listing is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (a) The identified investors fail to subscribe for the portion of our IPO Shares;
- (b) Our Underwriter exercising its rights pursuant to the Underwriting Agreement discharging itself from their obligations therein; and
- (c) We are unable to meet the public shareholding spread requirement as determined by Bursa Securities, which is at least 25% of our total number of Shares for which listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 1,000 Shares each upon the completion of our IPO and at the point of our Listing.

In this respect, we will exercise our best endeavour to comply with the various regulatory requirements, including, *inter-alia*, the public shareholding spreads requirement in paragraph (c) above for our successful Listing. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or non-implementation of our Listing.

Upon the occurrence of any of these events, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of any application for our Shares within 14 days, failing which the provisions of sub-sections 243(2) and 243(6) of the CMSA will apply accordingly and we will be liable to repay the monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

In the event our Listing is aborted and/or terminated, and our Shares have been allotted to the shareholders, a return of monies to all holders of our Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

4. RISK FACTORS (Cont'd)

4.3.5 Dividend payment

Our Company, an investment holding company, derives its income mainly from dividends received from our subsidiaries. Hence, our ability to pay future dividend and our ability to sustain our dividend policy in the future are largely dependent on the performance of our subsidiary companies. In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, availability of distributable reserves and tax-exempt profits/tax credits, future expansion plans, loan covenants and compliance with regulatory requirements.

4.3.6 Continued control by our Promoters

Upon Listing, the Promoters will collectively hold a total of approximately 71.96% of our enlarged issued and paid-up share capital. Depending on how they choose to vote and because of their shareholdings, these shareholders will generally be expected to have significant influence on the outcome of certain matters requiring the vote of our shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities. Nevertheless, as a step towards good corporate governance, we have appointed 5 Independent Non-Executive Directors and set up an Audit Committee to ensure that, *inter-alia*, all future transactions involving related parties are entered into at arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment to our minority shareholders.

4.3.7 Trading price and volume of our Shares

The trading prices and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed shares.

Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of our Group have no direct correlation with the performance of securities listed on Bursa Securities.

4.3.8 Underwriting risk

14,694,000 IPO Shares are to be underwritten by the Underwriter. The underwriting commission is payable by our Group for our IPO Shares for the unsubscribed portion of our IPO Shares reserved for Malaysian Public and eligible Directors and employees. However, the agreement of the Underwriter to underwrite up to 14,694,000 IPO Shares should not be taken as an indication of the merits or assurance of the value of our IPO Shares.

4. RISK FACTORS (Cont'd)

4.4 OTHER RISKS

4.4.1 Political and economic risks

The performance of our Group is correlated to the overall economic and political conditions both domestically and internationally, as it is largely dependent on the performance of the oil and gas supporting services industry.

Like all other business entities, adverse developments in political, economic and regulatory conditions in Malaysia could unfavourably affect our financial position and business prospects. These risks include, among others, risks of war, changes in economic conditions, changes in interest rates and unfavourable changes in government policies such as introduction of new regulations, import duties and tariffs.

Our Group has taken efforts to diversify our range of services and markets as well as pre-empting certain regulations to mitigate any possible adverse impact on our Group from any adverse development in political, economic and regulatory authorities.

Whilst we strive to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially affect our operations, financial performance and future prospects.

4.4.2 Forward-looking/prospective statements

Certain statements in this Prospectus are based on historical data which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable. Whether such statements would ultimately prove to be accurate depends upon a variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will prove to be correct in the future. Any deviation from the expectations may have a material adverse effect on our business and financial performance.

The above is not an exhaustive list of challenges we are currently facing or that may develop in the future. Additional risks whether known or unknown, may in the future have a material adverse effect on us and/or our Shares.

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5. GENERAL INFORMATION ON OUR GROUP

5.1 INCORPORATION AND HISTORY

Carimin Petroleum Sdn Bhd was incorporated in Malaysia on 14 March 2012 under the Act as a private limited company and converted to a public limited company with our current assumed name on 21 December 2012.

We are an investment holding company whilst our subsidiaries' business activities centre on supporting the offshore oil and gas industry in Malaysia. We primarily provide offshore hook up and commissioning, production platform system maintenance and upgrading services including minor fabrication services. Our other business unit also includes manpower supply and equipment rental services.

Our Group, through our subsidiary, Carimin Airis, owns an AHTS vessel and we have an equity interest of 14% in SK Offshore, owning an AWB. In March 2014, we had entered into a Memorandum of Agreement to acquire an additional AWB, namely Carimin Acacia. Carimin Acacia is scheduled for delivery in June 2015.

Kindly refer to Section 6.1.1 of this Prospectus for detailed information regarding our history.

5.2 SHARE CAPITAL

Our authorised share capital is RM300,000,000 comprising 600,000,000 ordinary shares of RM0.50 each, of which RM86,589,000 comprising 173,178,000 Shares have been issued and fully paid-up as at the LPD.

The movements in our issued and paid-up share capital since the date of our incorporation are set out below:

| Date of allotment | No. of Shares allotted | Par value | Consideration/ Types of Issue | Cumulative issued and paid-up share capital |
|-------------------|------------------------|-----------|--|---|
| | | RM | | RM |
| 14 March 2012 | 2 | 1.00 | RM2/Subscribers' shares | 2 |
| 8 January 2013 | 4 | 0.50 | Not applicable/Share split | 2 |
| 9 December 2013 | 36 | 0.50 | RM18/Cash | 20 |
| 1 July 2014 | 173,177,960 | 0.50 | RM86,588,980/issued pursuant to the Acquisitions | 86,589,000 |

Upon completion of our Public Issue, our enlarged issued and paid-up share capital will be increased to RM116,939,000 comprising 233,878,000 Shares.

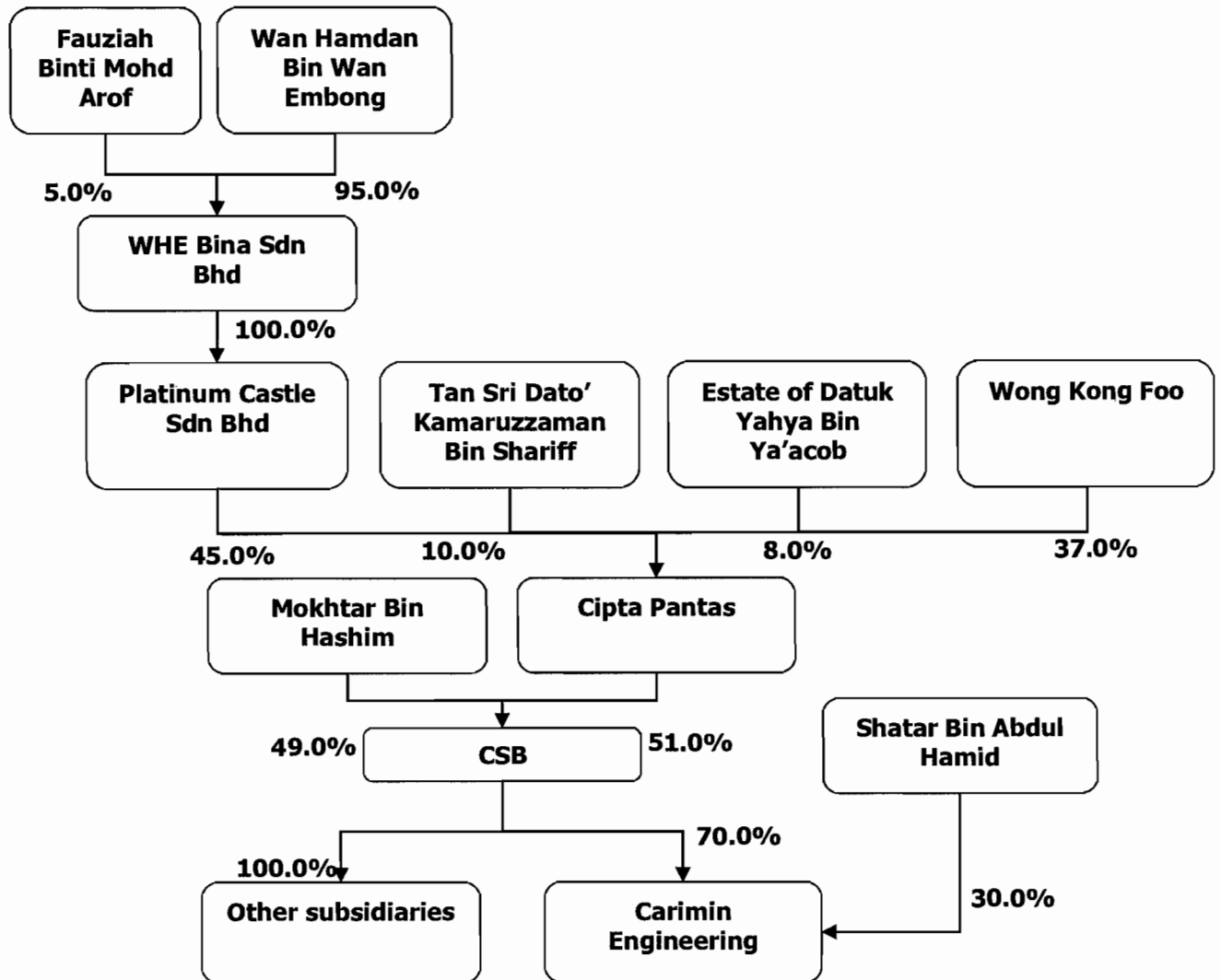
As at the LPD, we do not have any outstanding warrants, options or convertible securities in issue or any uncalled capital.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.3 ACQUISITIONS

In preparation for the listing of our Company on the Main Market of Bursa Securities we have undertaken the Acquisitions. Under the Acquisitions, our Company had entered into a share sale agreement on 9 December 2013 with Cipta Pantas, Mokhtar Bin Hashim and Shatar Bin Abdul Hamid to acquire CSB and Carimin Engineering.

Our Group structure prior to the Acquisitions is as follows:



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.3.1 Acquisition of CSB**

Prior to the implementation of the Acquisition of CSB, the shareholders of CSB were Mokhtar Bin Hashim (49.0% equity interest) and Cipta Pantas (51.0% equity interest). The acquisition of CSB involves the acquisition of 100% equity interest in CSB comprising 1,000,000 ordinary shares of RM1.00 each in CSB ("CSB Shares") from Mokhtar Bin Hashim and Cipta Pantas for a purchase consideration of RM78,637,361 satisfied via the issuance of 157,274,722 new CPB Shares at par to Mokhtar Bin Hashim and Cipta Pantas, in the following manner:

| Vendors | No. of CSB Shares acquired | % of share capital | Purchase consideration ^ RM | No. of existing CPB Shares received * | No. of new CPB Shares received |
|--------------------|----------------------------|--------------------|-----------------------------|---------------------------------------|--------------------------------|
| Mokhtar Bin Hashim | 490,000 | 49.00 | 38,532,307 | 20 | 77,064,614 |
| Cipta Pantas | 510,000 | 51.00 | 40,105,054 | 20 | 80,210,108 |
| | 1,000,000 | 100.00 | 78,637,361 | 40 | 157,274,722 |

Notes:

^ The total purchase consideration of RM78,637,361 for the entire equity interest in CSB was based on the audited NA of CSB as at 30 June 2013 of RM78,637,397.

* Prior to the implementation of the Acquisitions, the issued and paid-up share capital of CPB is RM20 comprising 40 CPB Shares. The existing 40 CPB Shares were held by Mazhar Bin Palil and Muhammad Hatta Bin Noah, each holding 20 CPB Shares. Concurrent with the implementation of the Acquisitions, the said 40 CPB Shares were transferred to Mokhtar Bin Hashim and Cipta Pantas on an equal basis. Thereafter, Mazhar Bin Palil and Muhammad Hatta Bin Noah ceased to be shareholders of CPB.

Resulting from the implementation of the Acquisition of CSB, 77,064,614 new CPB Shares were issued to Mokhtar Bin Hashim and 80,210,108 new CPB Shares were issued to Cipta Pantas. Thereafter, CSB became a wholly-owned subsidiary of CPB.

Upon receipt of the 80,210,108 new CPB Shares by Cipta Pantas pursuant to the Acquisition of CSB, Cipta Pantas proceeded to distribute 39,500,000 new CPB Shares received to its shareholders, namely Tan Sri Dato' Kamaruzzaman Bin Shariff and Platinum Castle Sdn Bhd in the following manner ("Distribution of CPB Shares"):

| | No. of CPB Shares | % |
|--|---------------------|----------------|
| New CPB Shares received by Cipta Pantas under the Acquisition of CSB | 80,210,128 | 100.00 |
| Less: Distribution of CPB Shares to: | | |
| (i) Tan Sri Dato' Kamaruzzaman Bin Shariff | (7,000,000) | (8.73) |
| (ii) Platinum Castle Sdn Bhd | (32,500,000) | (40.52) |
| Total shares distributed | (39,500,000) | (49.25) |
| CPB Shares retained in Cipta Pantas | 40,710,128 | 50.75 |

Upon completion of the Distribution of CPB Shares, the remaining 40,710,128 CPB Shares were retained by Cipta Pantas.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.3.2 Acquisition of Carimin Engineering**

Prior to the implementation of the Acquisition of Carimin Engineering, the shareholders of Carimin Engineering were CSB (70.0% equity interest) and Shatar Bin Abdul Hamid (30.0% equity interest). The acquisition of Carimin Engineering involves the acquisition of 30% of the equity interest in Carimin Engineering comprising 1,500,000 ordinary shares of RM1.00 each in Carimin Engineering ("Carimin Engineering Shares") by CPB from Shatar Bin Abdul Hamid for a purchase consideration of RM7,951,619 satisfied via the issuance of 15,903,238 new CPB Shares at par, in the manner below:

| Vendor | No. of Carimin Engineering Shares acquired | % of share capital | Purchase consideration ^ RM | No. of CPB Shares issued |
|------------------------|---|---------------------------|------------------------------------|---------------------------------|
| Shatar Bin Abdul Hamid | 1,500,000 | 30.0 | 7,951,619 | 15,903,238 |

Note:

^ The total purchase consideration of RM7,951,619 for the 30% equity interest in CSB was based on the 30% of the audited NA of Carimin Engineering as at 30 June 2013 of RM7,951,619.

Resulting from the implementation of the Acquisition of Carimin Engineering, 15,903,238 new CPB Shares were issued to Shatar Bin Abdul Hamid. Thereafter, Carimin Engineering became a wholly-owned subsidiary of CPB whereby 70% equity interest is held via CSB and 30% equity interest is held via CPB.

5.3.3 Basis of arriving at the purchase consideration for the Acquisitions

The total purchase consideration of RM86,588,980 for the Acquisitions was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of CSB and Carimin Engineering as at 30 June 2013.

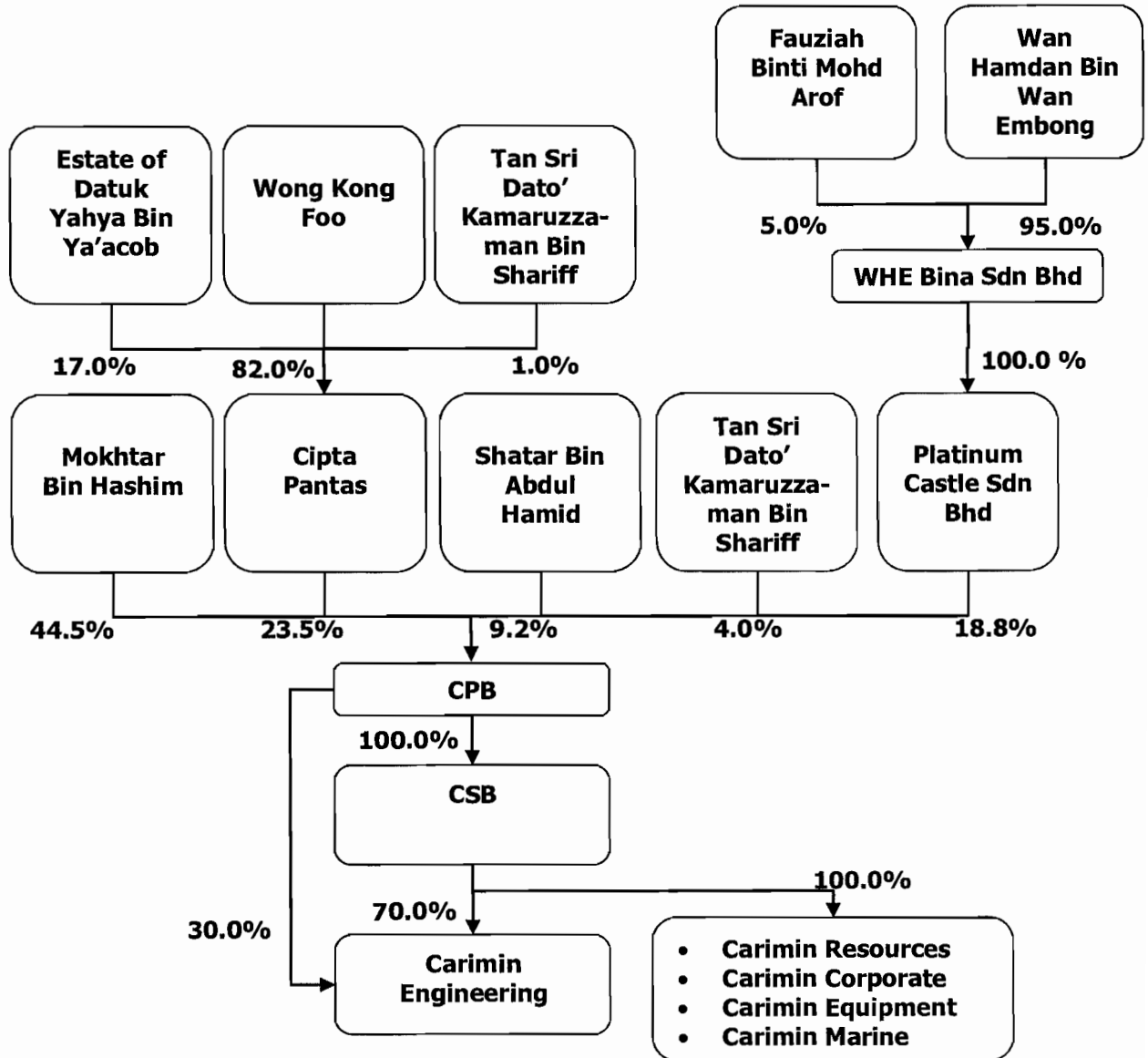
Details of the purchase consideration are as follows:

| Company | % of equity interest acquired | Audited NA as at 30 June 2013 RM | Share of audited NA as at 30 June 2013 RM | Purchase consideration RM |
|---------------------|--------------------------------------|---|--|----------------------------------|
| CSB | 100.0 | 78,637,397 | 78,637,397 | 78,637,361 |
| Carimin Engineering | 30.0 | 26,505,398 | 7,951,619 | 7,951,619 |
| | | 105,142,795 | 86,589,016 | 86,588,980 |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

The Acquisitions was completed on 1 July 2014. Thereafter, CSB and Carimin Engineering became our wholly-owned subsidiaries.

Our Group structure after the Acquisitions is as follows:



Effective Purchase Consideration of Carimin Engineering

The effective purchase consideration of 5,000,000 Carimin Engineering Shares from CSB and Shatar Bin Abdul Hamid is set out as follows:

- (i) Effective purchase consideration of 3,500,000 Carimin Engineering Shares from CSB (representing 70% equity interest in Carimin Engineering) was based on:

$$\begin{aligned}
 \text{NA per share} &= \frac{\text{RM18,553,779*}}{3,500,000 \text{ shares}} \\
 &= \text{RM5.30 per share}
 \end{aligned}$$

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

- (ii) Effective purchase consideration of 1,500,000 Carimin Engineering Shares from Shatar Bin Abdul Hamid (representing 30% equity interest in Carimin Engineering) was based on:

$$\begin{aligned} \text{NA per share} &= \frac{\text{RM7,951,619}^*}{1,500,000 \text{ shares}} \\ &= \text{RM5.30 per share} \end{aligned}$$

Note:

* Total NA of Carimin Engineering as at 30 June 2013 was RM26,505,398.

5.3.4 GROUP RE-ORGANISATION

On 9 December 2013, we had entered into a share sale agreement with our wholly-owned subsidiary, CSB to acquire the following subsidiaries from CSB:

| Companies | Equity interest acquired % | Issued and paid-up share capital RM | Purchase consideration RM |
|---------------------|-----------------------------------|--|----------------------------------|
| Carimin Resources | 100 | 10 | 10 |
| Carimin Corporate | 100 | 10 | 10 |
| Carimin Equipment | 100 | 1,000,000 | 1,000,000 |
| Carimin Engineering | 70 | 5,000,000 | 3,500,000 |
| Carimin Marine | 100 | 1,000,000 | 1,000,000 |
| Total | | | 5,500,020 |

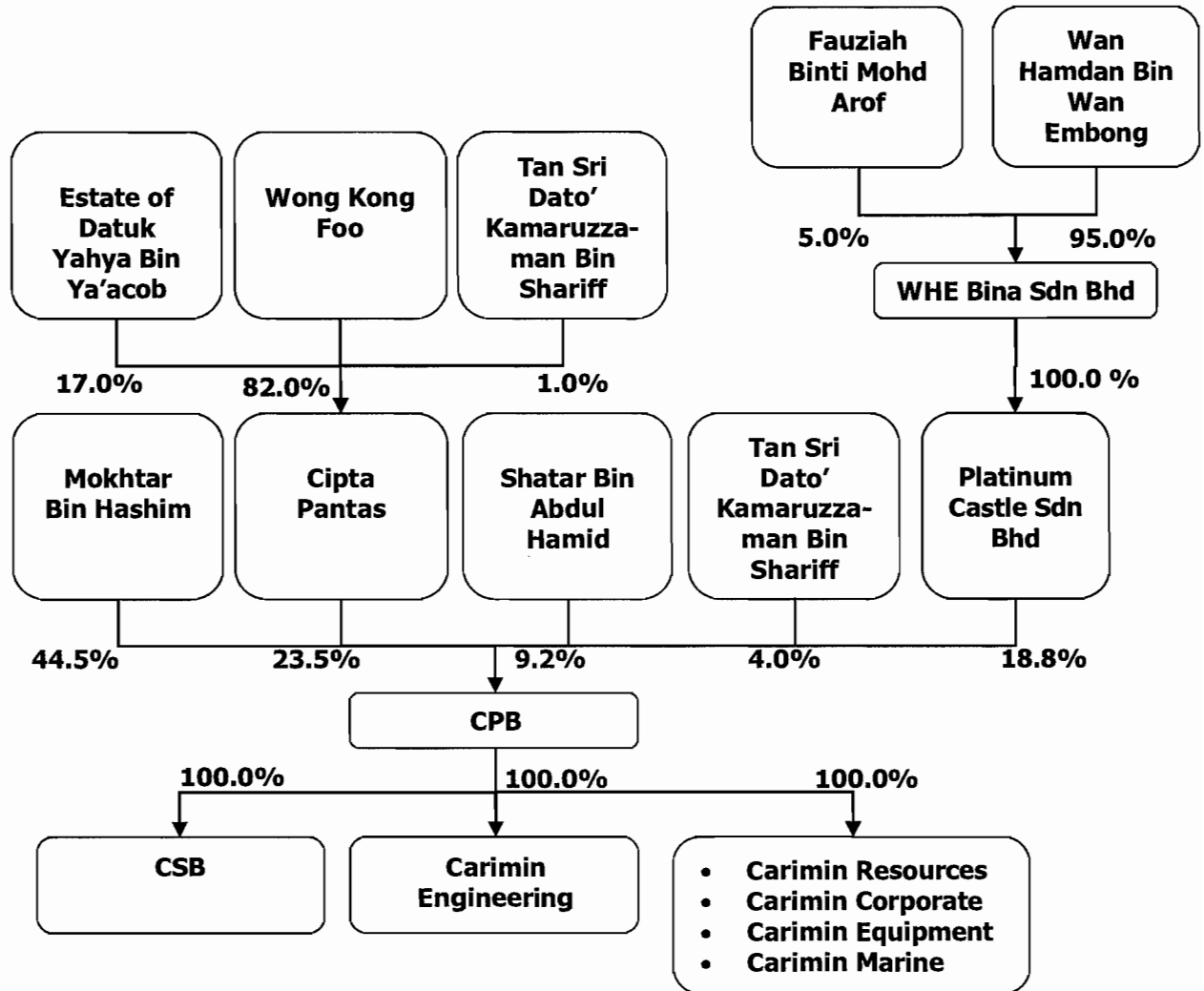
The effective purchase consideration for the acquisition of these subsidiaries is based on the respective subsidiaries' issued and paid-up share capital, the rationale being that there is no change in the effective control of these subsidiaries as a result of this Group re-organisation.

Our Group re-organisation was completed on 1 July 2014. Thereafter, these companies became our direct subsidiaries.

Upon completion of the re-organisation, CPB has accumulated losses arising from the acquisition of subsidiaries amounting RM14.4 million. As such, sufficient dividends have been declared by CSB to CPB such that the retained earnings position of CPB is positive and that CPB is able to declare dividends.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Our Group structure as at the LPD (after the re-organisation) and prior to our IPO is diagrammatically summarised below:



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.4 LISTING SCHEME

In conjunction with, and as an integral part of our Listing, we shall implement the following:

(i) Public Issue

Pursuant to our Public Issue, we shall issue 60,700,000 new Shares at our IPO Price to be allocated in the following manner:

- (a) 11,694,000 Issue Shares will be made available for application by the Malaysian Public, to be allocated via balloting;
- (b) 3,000,000 Issue Shares made available to our eligible Directors and employees; and
- (c) 46,006,000 Issue Shares by way of private placement to identified investors.

The Issue Shares shall rank *pari passu* in all respects with our existing issued Shares including the voting rights and will be entitled to all rights and dividends and other distributions, the entitlement date of which are subsequent thereof.

Upon completion of our Public Issue, our issued and paid-up share capital will increase from RM86,589,000 comprising 173,178,000 Shares to RM116,939,000 comprising 233,878,000 Shares.

(ii) Offer for Sale

Concurrent with our Listing, our Offerors, namely Mokhtar Bin Hashim and Platinum Castle Sdn Bhd will undertake an offer for sale of 5,890,000 Shares at our IPO Price, representing approximately 2.52% of our enlarged issued and paid-up share capital to identified investors.

(iii) Listing

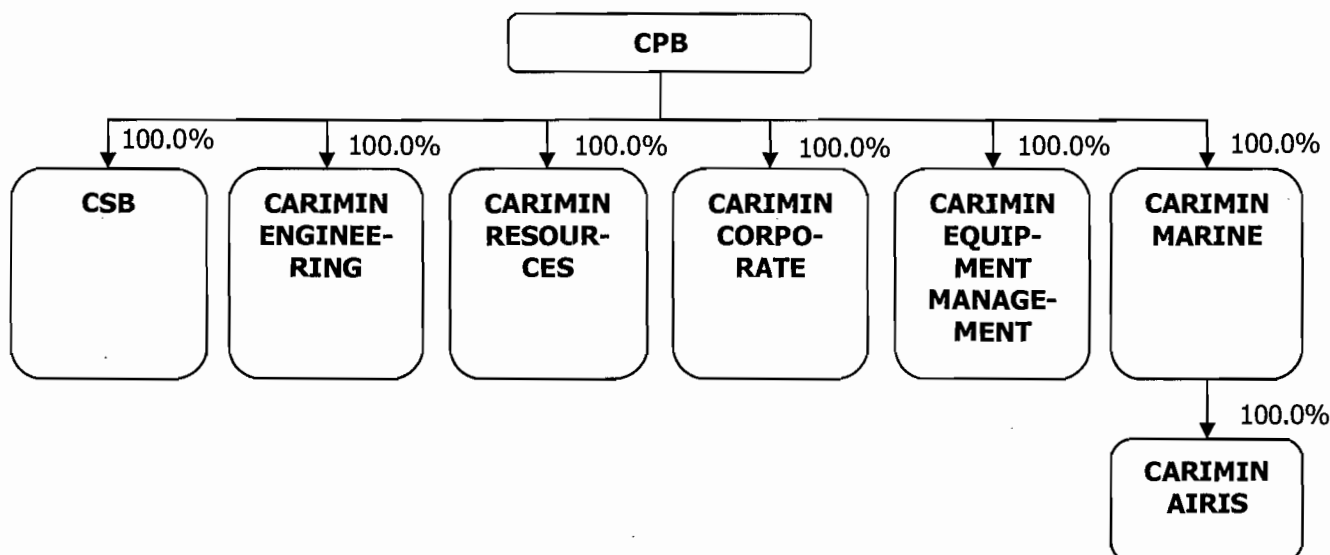
Upon completion of our IPO, our Company's entire enlarged issued and paid-up share capital of RM116,939,000 comprising 233,878,000 Shares shall be listed on the Main Market of Bursa Securities.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.5 SUBSIDIARY COMPANIES

Our corporate group structure as at the LPD is as follows:



All of our subsidiaries are wholly-owned by our Company. As at the LPD, we do not have any associated companies. Details of our subsidiaries are summarised as follows:

| Company | Date/ Place of incorporation | Date of commencement of business | Authorised share capital RM | Issued and paid-up share capital RM | Equity interest % | Principal activities |
|---------------------|------------------------------------|--|--------------------------------------|--|-------------------------|---|
| CSB | 2 May 1989/ Malaysia | May 1990 | 1,000,000 | 1,000,000 | 100.00 | Provision of inspection services, project management support services including sourcing for consultants, technical professionals, engineers, skilled personnel and other quality assurance services. |
| Carimin Engineering | 20 September 2005/ Malaysia | January 2006 | 5,000,000 | 5,000,000 | 100.00 | Provision of offshore hook up and commissioning services, maintenance, engineering and minor fabrication services for offshore and onshore structures. |
| Carimin Resources | 24 December 2010/ Malaysia | - | 1,000,000 | 10 | 100.00 | Presently dormant. Its intended business is the provision of project and data management services for our Group. |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Date/ Place of incorporation | Date of commencement of business | Authorised share capital RM | Issued and paid-up share capital RM | Equity interest % | Principal activities |
|----------------------|------------------------------------|--|--------------------------------------|--|-------------------------|--|
| Carimin Corporate | 24 November 2010/ Malaysia | June 2013 | 1,000,000 | 10 | 100.00 | Provision of corporate, management and support services such as finance, human resource and administration services for the operations of our Group. |
| Carimin Equipment | 24 November 2010/ Malaysia | May 2011 | 5,000,000 | 1,000,000 | 100.00 | Provision of equipment and tools for offshore and onshore works in the oil and gas industry. |
| Carimin Marine | 16 August 2011/ Malaysia | September 2011 | 1,000,000 | 1,000,000 | 100.00 | Provision of marine related offshore and onshore support services in the oil and gas industry which includes charter of offshore support vessels. |

Held through Carimin Marine

| | | | | | | |
|---------------|--------------------------|-----------|-----------|-----------|--------|---|
| Carimin Airis | 7 June 2013/ Malaysia | June 2013 | 5,000,000 | 5,000,000 | 100.00 | Provision of marine related offshore and onshore support services in the oil and gas industry which includes charter of offshore support vessels. |
|---------------|--------------------------|-----------|-----------|-----------|--------|---|

5.5.1 CSB**(a) History and business**

CSB was incorporated in Malaysia under the Act on 2 May 1989 as a private limited company under its present name. CSB is principally engaged in the provision of inspection services, project management support services including sourcing for consultants, technical professionals, engineers, skilled personnel and other quality assurance services.

There have been no material changes in the manner in which CSB conducts its business or activities since the last 3 years prior to the LPD.

(b) Share capital

CSB's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of CSB since its incorporation are as follows:

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|--------------------------|-------------------------------|------------------|--|--|
| | | RM | | RM |
| 2 May 1989 | 2 | 1.00 | RM2/Subscribers' shares | 2 |
| 9 July 1990 | 99,998 | 1.00 | ^RM99,998/ Otherwise than cash | 100,000 |
| 24 November 1992 | 200,000 | 1.00 | RM200,000/Cash | 300,000 |
| 15 July 1993 | 410,000 | 1.00 | RM410,000/Cash | 710,000 |
| 7 June 1994 | 290,000 | 1.00 | RM290,000/Cash | 1,000,000 |

Note:

^ Issued as consideration for the acquisition of the assets and liabilities of Syarikat Hussin Enterprise.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in CSB.

(c) Substantial shareholders and Directors

CSB is our wholly-owned subsidiary and the Directors are Tan Sri Dato' Kamaruzzaman Bin Shariff and Mokhtar Bin Hashim.

(d) Subsidiaries and associated companies

As at the LPD, CSB does not have any subsidiaries and/or associated companies.

5.5.2 Carimin Engineering**(a) History and business**

Carimin Engineering was incorporated in Malaysia under the Act on 20 September 2005 as a private limited company under its present name. Carimin Engineering is principally engaged in the provision of offshore hook up and commissioning services, maintenance, engineering and minor fabrication services for offshore and onshore structures.

There have been no material changes in the manner in which Carimin Engineering conducts its business or activities since the last 3 years prior to the LPD.

(b) Share capital

Carimin Engineering's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 5,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Carimin Engineering since its incorporation are as follows:

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|-------------------|------------------------|-----------|----------------------------------|---|
| | | RM | | RM |
| 20 September 2005 | 10 | 1.00 | RM10/Subscribers' shares | 10 |
| 8 May 2006 | 235,560 | 1.00 | RM235,560/Cash | 235,570 |
| 19 April 2007 | 68,500 | 1.00 | RM68,500/Cash | 304,070 |
| 6 March 2008 | 695,930 | 1.00 | ^RM695,930/Otherwise than cash | 1,000,000 |
| 6 May 2010 | 4,000,000 | 1.00 | ^RM4,000,000/Otherwise than cash | 5,000,000 |

Note:

^ Capitalisation of retained profits of Carimin Engineering.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Carimin Engineering.

(c) Substantial shareholders and Directors

Carimin Engineering is our wholly-owned subsidiary. Carimin Engineering's Directors are Mokhtar Bin Hashim, Shatar Bin Abdul Hamid and Abd Hakim Bin Asmaun.

(d) Subsidiaries and associated companies

As at the LPD, Carimin Engineering does not have any subsidiaries and/or associated companies.

5.5.3 Carimin Resources**(a) History and business**

Carimin Resources was incorporated in Malaysia under the Act on 24 December 2010 as a private limited company under its present name. Carimin Resources is presently dormant. Its intended business is the provision of project and data management services for our Group.

(b) Share capital

Carimin Resources's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 10 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Carimin Resources since its incorporation are as follows:

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|--------------------------|-------------------------------|------------------|--------------------------------------|--|
| | | RM | | RM |
| 24 December 2010 | 10 | 1.00 | RM10/Subscribers' shares | 10 |

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Carimin Resources.

(c) Substantial shareholders and Directors

Carimin Resources is our wholly-owned subsidiary. Its Directors are Mokhtar Bin Hashim and Muhammad Hatta Bin Noah.

(d) Subsidiaries and associated companies

As at the LPD, Carimin Resources does not have any subsidiaries and/or associated companies.

5.5.4 Carimin Corporate**(a) History and business**

Carimin Corporate was incorporated in Malaysia under the Act on 24 November 2010 as a private limited company under its present name. Its principal activities are provision of corporate, management and support services such as finance, human resource and administration services for the operations of our Group.

(b) Share capital

Carimin Corporate's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 10 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Carimin Corporate since its incorporation are as follows:

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|--------------------------|-------------------------------|------------------|--------------------------------------|--|
| | | RM | | RM |
| 24 November 2010 | 10 | 1.00 | RM10/Subscribers' shares | 10 |

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Carimin Corporate.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**(c) Substantial shareholders and Directors**

Carimin Corporate is our wholly-owned subsidiary. Its Directors are Mokhtar Bin Hashim and Mad Daud Bin Sukarmin.

(d) Subsidiaries and associated companies

As at the LPD, Carimin Corporate does not have any subsidiaries and/or associated companies.

5.5.5 Carimin Equipment**(a) History and business**

Carimin Equipment was incorporated in Malaysia under the Act on 24 November 2010 as a private limited company under its present name. Its principal activities are provision of equipment and tools for offshore and onshore works in the oil and gas industry.

(b) Share capital

Carimin Equipment's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Carimin Equipment since its incorporation are as follows:

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|--------------------------|-------------------------------|------------------|--------------------------------------|--|
| | | RM | | RM |
| 24 November 2010 | 10 | 1.00 | RM10/Subscribers' shares | 10 |
| 28 June 2012 | 999,990 | 1.00 | ^RM999,990/Otherwise than cash | 1,000,000 |

Note:

^ Capitalisation of amount owing to CSB.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Carimin Equipment.

(c) Substantial shareholders and Directors

Carimin Equipment is our wholly-owned subsidiary. Its Directors are Mokhtar Bin Hashim and Mad Daud Bin Sukarmin.

(d) Subsidiaries and associated companies

As at the LPD, Carimin Equipment does not have any subsidiaries and/or associated companies.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.5.6 Carimin Marine****(a) History and business**

Carimin Marine was incorporated in Malaysia under the Act on 16 August 2011 as a private limited company under its present name. Its principal activities are provision of marine related offshore and onshore support services in the oil and gas industry which includes charter of offshore support vessels.

(b) Share capital

Carimin Marine's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Carimin Marine since its incorporation are as follows:

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|--------------------------|-------------------------------|------------------|--------------------------------------|--|
| | | RM | | RM |
| 16 August 2011 | 2 | 1.00 | RM2/Subscribers' shares | 2 |
| 28 June 2012 | 999,998 | 1.00 | ^RM999,998/ Otherwise than cash | 1,000,000 |

Note:

^ Capitalisation of amount owing to CSB.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Carimin Marine.

(c) Substantial shareholders and Directors

Carimin Marine is our wholly-owned subsidiary. Its Directors are Mokhtar Bin Hashim and Muhammad Hatta Bin Noah.

(d) Subsidiaries and associated companies

As at the LPD, Carimin Marine's wholly-owned subsidiary is Carimin Airis, details of which are set out below. Carimin Marine does not have any associated companies.

5.5.6.1 Carimin Airis**(a) History and business**

Carimin Airis was incorporated in Malaysia under the Act on 7 June 2013 as a private limited company under its present name. Its principal activities are provision of marine related offshore and onshore support services in the oil and gas industry which includes charter of offshore support vessels.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**(b) Share capital**

Carimin Airis's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 5,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Carimin Airis since its incorporation are as follows:

| Date of allotment | No. of shares allotted | Par value | Consideration/ Types of issue | Cumulative issued and paid-up share capital |
|--------------------------|-------------------------------|------------------|--|--|
| | | RM | | RM |
| 7 June 2013 | 3 | 1.00 | RM3/Subscribers' shares | 3 |
| 17 September 2013 | 4,999,997 | 1.00 | ^RM4,999,997/Otherwise than cash | 5,000,000 |

Note:

^ Allotment of shares to Carimin Marine resulted from the capitalisation of amount owing to CSB.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Carimin Airis.

(c) Substantial shareholders and Directors

Carimin Airis is wholly-owned by Carimin Marine. Its Directors are Mokhtar Bin Hashim, Mazhar Bin Palil and Mad Daud Bin Sukarmin.

(d) Subsidiaries and associated companies

As at the LPD, Carimin Airis does not have any subsidiaries and/or associated companies.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.6 MAJOR APPROVALS AND LICENCES

The details of major approvals and licences granted to or held by us are as follows:

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|--|---|---------------------|--|--|---|
| CSB | PETRONAS Licence No.: 181710-U | Licence for supply of equipment and services to exploration companies and producer of oil and gas in Malaysia | 7 October 2011 | 1 December 2011 to 30 November 2014 | <p>(1) This company is required to register, obtain licence, permit or approval from the relevant authorities to provide services or supply equipment or material in connection with this company's operations or activities.</p> <p>(2) This licence is not transferrable to any other company or party.</p> <p>(3) This licence shall be terminated if the company is in the process of liquidation, winding-up or dissolution.</p> <p>(4) This company shall inform PETRONAS of any changes on the company's position such as equity ownership, board of Directors and management personnel within 14 days of such changes. Failure to comply shall result in the licence being terminated.</p> <p>(5) This company is not allowed to engage another company as its principal, agent, sub-contractor or otherwise to provide any services or supply of any facilities, fittings or equipment on its behalf without obtaining the prior written consent of PETRONAS.</p> <p>(6) Action will be taken against this company if</p> | Complied |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|------------------|----------|---|------------------------------------|
| | | | | | <p>PETRONAS is of the opinion that this company does one or more of the following matters:</p> <ul style="list-style-type: none"> (a) Fails to complete the assigned work; (b) Fails to perform its contractual obligations or any other obligations under the law towards the partners, principal, agent, sub-contractor and others; (c) Receives garnishee order; (d) Faces bankruptcy proceedings; (e) Cannot be traced by its last address; (f) Sub-contracting work to other contractor without the written permission of PETRONAS; (g) Rejects any contract or tender given; (h) Entering into or accepting contract or tender during the period in which the licence is suspended; (i) Providing false, inaccurate or misleading information; (j) Non-compliance with regulations and tender ethics including but not limited to sending "surat layang", bribing or lobbying; and (k) Engaging in activities that are inappropriate with this licence. <p>(7) According to Regulation 9 of Petroleum Rules-1974, any person who commences or continues any business or service mentioned in Regulation 3 of Petroleum Rules 1974 without a licence or fails to comply with any condition of any such licence shall be guilty of an offence and shall on conviction be</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|------------------|----------|---|------------------------------------|
| | | | | | <p>liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding 2 years or to both and in the case of a continuing offence he shall be liable to a further fine of one thousand ringgit for each day or part of a day during which the offence continues after the first day in respect of the conviction is recorded.</p> <p>(8) This company whether on its own, through its workers, directors, agents or employees: (a) is not allowed to use the PETRONAS olddrop logo or the word PETRONAS or use any signs, logo or words or use the typeface, font, form or colour which is similar to the trade marks owned or used by PETRONAS or its subsidiaries ("PETRONAS trade marks") in any manner whatsoever whether in printed materials, web sites or "papan tangan"; and (b) is not allowed to do anything or in any manner whatsoever directly or indirectly admit that it is a partner or is connected with PETRONAS and/or its subsidiaries save and except this company is permitted to use the reference "CSB is licensed by PETRONAS License No 181710-U under Rule 3 Petroleum Rules 1974".</p> <p>(9) The company shall comply with the minimum requirements as stipulated in the "Minimum Technical Requirement" (MTR) before 30 March 2014 and submit an official letter stating the purpose to</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|---|--|---------------------|--------------------------------|--|---|
| CSB | Ministry of Finance, Malaysia Registration No.: 357-02004604 | Company Registration Certificate by the Ministry of Finance, Malaysia in the field of supplies and services as follows: (a) Marine equipment (b) Marine devices (c) Heavy machinery/vehicle/machinery (d) Labour contract (e) Instructors | 31 March 2012 | 31 March 2012 to 30 March 2015 | <p>comply with the MTR requirements and the relevant categories code. Failure to do so shall cause the company to be de-listed from the "List of Licensed/Registered Companies (LLRC)" PETRONAS for the relevant field.</p> <p>(10) The company shall comply with the minimum requirements as stipulated in the "Minimum Technical Requirement" (MTR) before 30 May 2014 and submit an official letter stating the purpose to comply with the MTR requirements and the relevant categories code. Failure to do so shall cause the company to be de-listed from the "List of Licensed/Registered Companies (LLRC)" PETRONAS for the relevant field.</p> | Complied |
| | | | | | <p>(1) Any change on the said information shall be updated via online in "<i>Modul Kemaskini Profil</i>" at www.eperolehan.gov.my within 21 days from the date of change and any failure to do so shall lead to actions under item (4).</p> <p>(2) This company shall submit all information within the period given as and when required by the Ministry of Finance, Malaysia. Failure to do so shall lead to actions under item (4).</p> <p>(3) This company shall ensure that the field registered in</p> | Complied |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|--|---------------------|----------|---|---|
| | | (f) Data entry/software testing, (g) Production surface well testing and wire line services | | | <p>the certificate does not overlap with the field that has been approved to any company as follows:</p> <p>(a) having the same owner or board of directors, management personnel and employees; or</p> <p>(b) operating at the same premises.</p> <p>(4) The Ministry of Finance has the right to visit or conduct an audit at any time without any prior notice. Failure to obey the conditions of registration, the field code and/or the company's registration may be suspended/terminated and the company, owner as well as the board of directors/director shall be subject to disciplinary action including being blacklisted without any prior notice in the event any false information is found to have been given.</p> <p>(5) The newly registered company is not allowed to make any changes on ownership or directorship within 6 months from the date of registration.</p> <p>(6) Failure of the company to renew its registration 1 year after the expiry date of the registration will lead to the cancellation of the registration of the company with the Ministry of Finance Malaysia and shall be automatically removed from the "Sistem ePerolehan". The company shall thereafter have to make a new application.</p> <p>(7) The registration of this company will be</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|---------------------|----------|--|------------------------------------|
| | | | | | <p>suspended/cancelled if the company is found to have committed the following offences:</p> <p>(a) Company/owner/partnership/director/any of the management member has committed a crime and is found guilty by the Court in Malaysia or overseas or suffers civil liability.</p> <p>(b) The company withdraws the offer before the tender is considered or rejects the offer after the offer has been made.</p> <p>(c) The company fails to perform the contractual obligations signed with the Government.</p> <p>(d) The company is found to have amended the Company Registration Certificate for the purpose of cheating or for any other purposes.</p> <p>(e) The company allows the Company Registration Certificate to be abused by any other individual or company.</p> <p>(f) The company is found to have committed price-fixing with other companies during the submission of Government tender or sub-contract without the prior consent from the Government agency concerned.</p> <p>(8) The company shall present the application to renew 3 months before the registration's expiry date.</p> <p>(9) An Application which is accepted after the registration's expiry date shall be considered as a new registration.</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|--|--|---------------------|-----------------------------|---|---|
| CSB | Royal Malaysia Customs Licence No. W10-CP- 01000138/01 | Service tax | 7 February 2013 | Nil | (10) Any act or attempt of corruption in offering or giving, soliciting or accepting any gratification to or from any person in relation to government procurement is a criminal offence under Malaysian Anti-Corruption Commission Act 2009. | Not applicable |
| CSB | Bureau Veritas Certification (Malaysia) Sdn Bhd Certificate No.: QMS130187 | ISO 9001:2008 Scope of supply: Provision of manpower supply for oil and gas industry | 8 May 2014 | 8 May 2014 to 8 May 2017 | None | Not applicable |
| CSB | Bureau Veritas Certification (Malaysia) Sdn Bhd Certificate No.: Q130339 | ISO 9001:2008 Scope of supply: Provision of manpower supply for oil and gas industry | 8 May 2014 | 8 May 2014 to 8 May 2017 | None | Not applicable |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------------------|-------------------------------------|---|------------------|----------------------------------|---|------------------------------------|
| Carimin Engineering | PETRONAS Licence No. 710356-T | Licence for supply of equipment and services to exploration companies and producer of oil and gas in Malaysia | 28 August 2012 | 17 August 2012 to 16 August 2015 | <p>(1) This company is required to register, obtain licence, permit or approval from the relevant authorities to provide services or supply equipment or material in connection with this company's operations or activities.</p> <p>(2) This licence is not transferrable to any other company or party.</p> <p>(3) This licence shall be terminated if the company is in the process of liquidation, winding-up or dissolution</p> <p>(4) This company shall inform PETRONAS of any changes on the company's position such as equity ownership, board of directors and management staff within 14 days of the changes. Failure to do so will result in the licence being cancelled.</p> <p>(5) This company is not allowed to engage another company as principal, agent, subcontractor or otherwise to provide any services or supply any facilities or equipment on its behalf without obtaining the prior written consent of PETRONAS.</p> <p>(6) Action will be taken against the company if in the opinion of PETRONAS, the company does one or more of the following matters:</p> | Complied |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|------------------|----------|--|------------------------------------|
| | | | | | <p>(a) Fails to complete the assigned work;</p> <p>(b) Fails to perform contractual obligation or any other obligations under the law towards the partners, principal, agent, sub-contractor and etc;</p> <p>(c) Receives garnishee order;</p> <p>(d) Faces bankruptcy proceedings;</p> <p>(e) Cannot be traced by its last address;</p> <p>(f) Sub-contracting of contract work to other contractor without the written permission of PETRONAS;</p> <p>(g) Rejects any contract or tender given;</p> <p>(h) Entering into or accepting contract or tender during the period in which the licence is suspended;</p> <p>(i) Providing false, inaccurate or misleading information;</p> <p>(j) Non-compliance with regulations and tender ethics including but not limited to sending "surat layang", bribing or lobbying; and</p> <p>(k) Engaging in activities that are inappropriate with this licence.</p> <p>(7) According to Regulation 9 of Petroleum Rules 1974, any person who commences or continues any business or service mentioned in Regulation 3 of Petroleum Rules 1974 without a licence or fails to comply with any condition of any such licence shall</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|---------------------|----------|--|---|
| | | | | | <p>be guilty of an offence and shall on conviction be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding 2 years or to both and in the case of a continuing offence he shall be liable to a further fine of one thousand ringgit for each day or part of a day during which the offence continues after the first day in respect of the conviction is recorded.</p> <p>(8) This company whether on its own, through its workers, directors, agents or employees:</p> <p>(a) is not allowed to use the PETRONAS oil drop logo or the word PETRONAS or use any signs, logo or words or use the typeface, font, form or colour which is similar to the trade marks owned or used by PETRONAS or its subsidiaries ("PETRONAS trade marks") in any manner whatsoever whether in printed materials, web sites or "papan tangan"; and</p> <p>(b) is not allowed to do anything or in any manner whatsoever directly or indirectly admit that it is a partner or is connected with PETRONAS and/or its subsidiaries save and except this company is permitted to use the reference "Carimin Engineering is licensed by PETRONAS License No 710356-T under Rule 3 Petroleum Rules 1974".</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------------------|---|--|---------------------|--------------|--|------------------------------------|
| Carimin Engineering | Construction Industry Development Board ("CIDB") Certificate No.: 0120070425- | Registration with CIDB pursuant to Part VI of Lembaga Pembinaan Industri Pembinaan Malaysia Act 1994 | 1 August 2013 | 31 July 2016 | <p>(9) The company shall comply with the minimum requirements as stipulated in the "Minimum Technical Requirement" (MTR) before 30 March 2014 and submit an official letter stating the purpose to comply with the MTR requirements and the relevant categories code. Failure to do so shall cause the company to be de-listed from the "List of Licensed/Registered Companies (LLRC)" PETRONAS for the relevant field.</p> <p>(10) The company shall comply with the minimum requirements as stipulated in the "Minimum Technical Requirement" (MTR) before 30 May 2014 and submit an official letter stating the purpose to comply with the MTR requirements and the relevant categories code. Failure to do so shall cause the company to be de-listed from the "List of Licensed/Registered Companies (LLRC)" PETRONAS for the relevant field.</p> | |
| | | | | | <p>(1) This Certificate is not transferable.</p> <p>(2) The board reserve the right to review the contractor's registration grade from time to time.</p> <p>(3) This contractor shall comply with the provisions of Lembaga Pembinaan Industri Pembinaan Malaysia Act 1994, regulations made thereunder and any terms, conditions or restrictions imposed by the</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|------------------|----------|--|------------------------------------|
| | TR113381 | | | | <p>board from time to time.</p> <p>(4) This contractor is prohibited from participating in any tender or carry out any construction work upon expiration of this Certificate until the same has been renewed.</p> <p>(5) This contractor is prohibited from undertaking any construction project which is beyond the construction value as stated in the registration grade and shall not conduct any construction beyond the registration category.</p> <p>(6) This contractor shall submit information in relation to any construction work or contract within 1 month from the date of award.</p> <p>(7) This contractor shall submit any information required by the board from time to time.</p> <p>(8) This contractor shall display this Registration Certificate which is issued by the board or a copy of the same which is acknowledged by the board at the place of business.</p> <p>(9) This contractor shall display the registration number at the signage board at every construction venue.</p> <p>(10) The contractor shall make an application for renewal</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|---------------------|----------|---|------------------------------------|
| | | | | | <p>within 6 months before the Certificate's expiry date. Any application accepted by the board 30 days later but before the Certificate's expiry date shall be imposed with penalty of maximum RM200.00 reason being late for renewal.</p> <p>(11) This contractor shall follow all requirements stated in the "<i>Kod Etika Kontraktor</i>".</p> <p>(12) The registration of contractor shall be cancelled, suspended or withdrawn if:</p> <ul style="list-style-type: none"> (a) The contractor fails to comply with any other written requirements; (b) The contractor has been adjudged bankrupt; (c) The winding up petition related to the contractor has been served; (d) The contractor breaches or fails to comply with any provisions of the <i>Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994</i>; (e) The contractor has obtained the certificate by making or cause to be made any false or fraudulent declaration, certification or representation in writing or otherwise; (f) The contractor leaves any construction works undertaken without any reasonable cause; or (g) The contractor is found guilty of negligence by the court or any board of inquiry constituted | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------------------|---|--|---------------------|-------------------------------|--|---|
| Carimin Engineering | Ministry of Finance, Malaysia Certificate No.: 357-02093921 | Company Registration Certificate by the Ministry of Finance, Malaysia in the field of supplies and services as follows: (a) Machinery and facilities workshop (b) Oil industry equipment (c) Specific machinery and equipment (d) Machinery and equipment workshop | 10 April 2012 | 10 April 2012 to 9 April 2015 | <p>under any written law relating to the construction works undertaken; or</p> <p>(h) The contractor has breach any of the terms and conditions in respect of the Responsibility and Obligation of Contractor as set out in item (5) to (11).</p> <p>(1) Any change on the said information shall be updated via online in "<i>Modul Kemaskini Profil</i>" at www.eperolehan.gov.my within 21 days from the date of change and any failure to do so shall lead to actions under item (4) below.</p> <p>(2) This company shall submit all information within the period given as and when required by the Ministry of Finance, Malaysia. Failure to do so shall lead to actions under item (4) below.</p> <p>(3) This company shall ensure that the field registered in the certificate does not overlap with the field that has been approved to any company as follows: (a) having the same owner or board of directors, management and employees; or (b) operating at the same premises.</p> <p>(4) The Ministry of Finance has the right to visit or conduct an audit at any time without any prior notice. Failure to obey the conditions of registration, the field code and/or the company's registration may</p> | Complied |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------|-------------------------------|---------------------------------|------------------|----------|--|------------------------------------|
| | | | | | <p>be suspended/terminated and the company, owner as well as the board of directors/director shall be subject to disciplinary action including being blacklisted without any prior notice in the event any false information is found to have been given.</p> <p>(5) The newly registered company is not allowed to make any changes to the owner or directorship within 6 months from the date of registration.</p> <p>(6) Failure of the company to renew its registration 1 year after the expiry date of the registration will lead to the cancellation of the registration of the company with the Ministry of Finance Malaysia and shall be automatically removed from the "Sistem ePerolehan". The company shall thereafter have to make a new application.</p> <p>(7) The registration of this company will be suspended /cancelled if the company is found to have committed the following offences:</p> <p>(a) Company/owner/partnership/director/any of the management member has committed a crime and is found guilty by the court in Malaysia or overseas or suffers civil liability.</p> <p>(b) The company withdraws the offer before the tender is considered or rejects after the offer is made.</p> <p>(c) The company fails to perform the contractual</p> | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------------------|---|---|------------------|-----------------------------|---|------------------------------------|
| Carimin Engineering | Bureau Veritas Certification (Malaysia) Sdn | ISO 9001:2008 Scope of supply: Provision of engineering, | 9 May 2014 | 9 May 2014 to 8 May 2017 | <p>obligations signed with the government. The company is found to have amended the Company Registration Certificate for the purpose of cheating or other purposes.</p> <p>(d) The company allows the Company Registration Certificate to be abused by other individual or company.</p> <p>(e) The company is found to have committed price-fixing with other companies during the submission of the Government tender or sub-contract without the prior consent from the Government agency concerned.</p> <p>(f) This company shall present the application to renew 3 months before the registration's expiry date.</p> <p>(8) Any application which is accepted after the registration's expiry date shall be considered as a new registration.</p> <p>(9) Any act or attempt of corruption in offering or giving, soliciting or accepting any gratification to or from any person in relation to government procurement is a criminal offence under Malaysian Anti-Corruption Commission Act 2009.</p> <p>(10) None</p> | Not applicable |

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|---------------------|--|--|---------------------|------------------------------------|--|---|
| | Bhd Certificate No.: QMS130186 | procurement, hook up construction, hook up and commissioning for oil and gas industry | | | | |
| Carimin Engineering | Bureau Veritas Certification (Malaysia) Sdn Bhd Certificate No.: Q130338 | ISO 9001:2008 Scope of supply: Provision of engineering, procurement, hook up construction, hook up and commissioning for oil and gas industry | 9 May 2014 | 9 May 2014 to 8 May 2017 | None | Not applicable |
| Carimin Engineering | Perbadanan Labuan Licence No.: PL 56743 | Lesen Berniaga: Pengurusan penyelenggaraan kapal & pelantar, tenaga pekerja asing & tempatan (mahir/tidak mahir), perkhidmatan kejuruteraan/pemeriksaan/geologi, juruperunding perkhidmatan | 6 January 2014 | 6 January 2014 to 31 December 2014 | None | Not applicable |

Company No.: 908388-K

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Company | Issuing authority/ Company | Nature of approval/ Licences | Date of issuance | Validity | Equity and/or major conditions imposed | Compliance with conditions imposed |
|------------------------|--|---|---------------------|---|--|---|
| Carimin Engineering | Majlis Perbandaran Kemaman Licence No.: 11570 | Lesen Papan Iklan & Lesen Kejuruteraan Eletrik / Mekanikal | 25 February 2014 | 25 February 2014 to 31 December 2014 | None | Not applicable |
| Carimin Engineering | Department of Occupational Safety and Health, Terengganu Registration No.: TG PMA 864 | Certificate of fitness – Hoisting machine pursuant to The Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 Regulation 10(2) | 19 May 2014 | 19 May 2014 to 16 July 2015 | None | Not applicable |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.7 PROPERTIES OF OUR GROUP****5.7.1 Properties occupied and owned by our Group**

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

| Registered Owner | Title details/Postal address Description of property/ Existing use | Tenure/ Expiry of Lease/Age of building | Category of Land Use/ Land area/ Built-up area sq m | Audited NBV as at 30 June 2014 RM | Encumbrances | Date of Issuance of Certificate of Fitness for Occupation/ Certificate of Completion and Compliance |
|--------------------------------------|--|---|---|---|------------------------------|---|
| Properties owned by our Group | | | | | | |
| CSB | (i) Title no. PN 9951, Lot No. 60468 (previously known as No. H.S.(D) 6001, PT 8515), Mukim Teluk Kalung, Daerah Kemaman, Negeri Terengganu | Leasehold of 60 years expiring on 22 August 2057 | Industrial (Category of Land use) | 350,531 | None | 21 December 2012 |
| | No. 4094, 4095, 4100 and 4101, Bangunan Miel, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu | 2 years | 7,288 (Land area) | | | |
| | A parcel of industrial land together with 2 units of single storey workshop, 1 unit of storage building, 3 units of guardhouse and 1 unit of outdoor toilet erected thereon | | 1,499 (Built-up area) | | | |
| | Minor fabrication yard | | | | | |
| (ii) | Strata title No. Geran 40011/M1-B/N1/110, Petak No. 110, Tingkat No. N1, Bangunan No. M1-B, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur | Freehold 15 years | Building (Category of Land use) | 1,035,623 | Charged Maybank Berhad | 4 December 1998 |
| | B-1-4, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 | | Not applicable (Land area) | | | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Registered Owner | Title details/Postal address Description of property/ Existing use | Tenure/ Expiry of Lease/Age of building | Category of Land Use/ Land area/ Built-up area sq m | Audited NBV as at 30 June 2014 RM | Encumbrances | Date of Issuance of Certificate of Fitness for Occupation/ Certificate of Completion and Compliance |
|------------------|--|--|---|---|---|---|
| | Kuala Lumpur | | 179 (Built-up area) | | | |
| | An office lot | | | | | |
| | Head office of CSB | | | | | |
| (iii) | Strata title No. Geran 40011/M1-B/N1/109, Petak No. 109, Tingkat No. N1, Bangunan No. M1-B, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur | Freehold 15 years | Building (Category of Land use) | 816,937 | Charged to Maybank Islamic Berhad | 4 December 1998 |
| | B-1-5, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur | | Not applicable (Land area) | | | |
| | An office lot | | 179 (Built-up area) | | | |
| | Head office of CSB | | | | | |
| (iv) | Strata title No. Geran 40011/M1-B/N1/108, Petak No. 108, Tingkat No. N1, Bangunan No. M1-B, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur | Freehold 15 years | Building (Category of Land use) | 770,696 | Charged to Maybank Islamic Berhad | 4 December 1998 |
| | B-1-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur | | Not applicable (Land area) | | | |
| | An office lot | | 179 (Built-up area) | | | |
| | Head office of CSB | | | | | |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Registered Owner | Title details/Postal address Description of property/ Existing use | Tenure/ Expiry of Lease/Age of building | Category of Land Use/ Land area/ Built-up area sq m | Audited NBV as at 30 June 2014 RM | Encumbrances | Date of Issuance of Certificate of Fitness for Occupation/ Certificate of Completion and Compliance |
|-------------------------|--|--|--|--|------------------------------|--|
| (v) | Strata title No. Geran 40011/M1-B/N1/107, Petak No. 107, Tingkat No. N1, Bangunan No. M1-B, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur | Freehold 15 years | Building (Category of Land use) | 770,696 | Charged Maybank Berhad | 4 December 1998 |
| | B-1-7, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur | | Not applicable (Land area) | | | |
| | An office lot | | 179 (Built-up area) | | | |
| | Head office of CSB | | | | | |
| (vi) | Strata title No. Geran 40011/M1-B/N1/106, Petak No. 106, Tingkat No. N1, Bangunan No. M1-B, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur | Freehold 15 years | Building (Category of Land use) | 1,801,024 | Charged Maybank Berhad | 4 December 1998 |
| | B-1-8, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur | | Not applicable (Land area) | | | |
| | An office lot | | 391 (Built-up area) | | | |
| | Head office of CSB | | | | | |
| (vii) | Strata title No. Geran 40011/M1-B/7/156, Petak No. 156, Tingkat No. 7, Bangunan No. M1-B, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur | Freehold 15 years | Building (Category of Land use) | 953,922 | Charged Maybank Berhad | 4 December 1998 |

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

| Registered Owner | Title details/Postal address Description of property/ Existing use | Tenure/ Expiry of Lease/Age of building | Category of Land Use/ Land area/ Built-up area sq m | Audited NBV as at 30 June 2014 RM | Encumbrances | Date of Issuance of Certificate of Fitness for Occupation/ Certificate of Completion and Compliance |
|------------------|---|--|---|---|--|---|
| | B-7-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur | | Not applicable (Land area) | | | |
| | An office lot | | 215 (Built-up area) | | | |
| | Head office of CSB | | | | | |
| (viii) | Title no. Geran 294921 (previously known as H.S.(D) 113379), Lot 7388 (previously known as PT No. 2817), Bandar Subang Jaya, Daerah Petaling, Negeri Selangor | Freehold 28 years | Building (Category of Land use) | 224,911 [^] | Charged to Malayan Banking Berhad | -* |
| | No. 7, Jalan SS15/2A, Subang Jaya, 47500 Selangor Darul Ehsan | | 123 (Land area) | | | |
| | Double storey intermediate terrace shophouse | | 246 (Built-up area) | | | |
| | Office use | | | | | |

Notes:

* *Majlis Perbandaran Subang Jaya, had on 23 November 2012 issued a letter confirming that the certificate of fitness for occupation has been issued in year 1984.*

[^] *The building is fully depreciated.*

Our Board confirms that there is no non-compliance with current statutory requirements, relevant land rules or building regulations in respect of the above properties owned by our Group. In addition, none of the properties disclosed above are in breach of any land use conditions and/or is in non-compliance with current statutory requirements, land rules or building regulations or is subject to any environmental issues that would have a material adverse impact on our Group's business operations and/or our financial position.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.7.2 Properties occupied which are rented by our Group**

The details of material properties rented by us as at the LPD are set out below:

The details of material properties rented by us as at the LPD are set out below:

| No. | Address | Owner/ Tenant | Description/ Existing Use | Built-up area sq m | Period of tenancy/ Rental per annum RM | Date of issuance of certificate of fitness for occupation |
|-----|--|---|--|--------------------------|---|---|
| 1. | 2 nd Floor, Lot 888, Block 9, Miri Concession Land District, Jalan Permaisuri, 98000 Miri, Sarawak | Unique Harvest Sdn Bhd/CSB | Second floor of the 4-storey intermediate terrace shophouse shophouse/ Operation office | 153 | 1 January 2014 to 31 December 2014/ RM19,200 | 3 April 1995 |
| 2. | Lot 58 Block H, Ranche- Ranche Industrial Warehouse Centre, (Country Lease No. 205376889), Jalan Ranche-Ranche, 87000 Labuan | Zelie Ho Swee Lum and Ivan Ho Kok Moon/ Carimin Engineering | 1½-storey intermediate terrace shophouse Office and storage warehouse | 292 | Monthly renewal / RM78,000 | 4 April 2000 |
| 3. | No. 19, Taman Fulliwa, Jalan Ranche-Ranche, 87007 Labuan | Lim Teng Soon & Lee Tok Yang @ Betty Lee/Carimin Engineering | 2-storey semi- detached house/ Staff quarters | 167 | Monthly renewal / RM36,000 | 26 January 1995 |
| 4. | K-11270, 2 nd Floor, Taman Chukai Utama, Phase 3, 24000 Chukai, Kemaman, Terengganu | Sykt. H.W. Ismail and Anak-anak Sdn Bhd/ Carimin Engineering | Second floor of a 3-storey detached office building/ Administrative office | 150 | 1 September 2014 to 31 August 2015/ RM9,600 | 26 July 2006 |
| 5. | Unit 7-9-8, Ixora Apartment, Jalan Tun Razak, 50400 Kuala Lumpur | Mad Daud bin Sukarmin /Carimin Engineering | Condominium unit/ Staff quarters | 91 | 1 December 2012 to 30 November 2014 / RM24,000 | 1 June 1998 |

Our Board confirms that there is no non-compliance with current statutory requirements, relevant land rules or building regulations in respect of the above properties leased by our Group. In addition, none of the properties disclosed above are in breach of any land use conditions and/or is in non-compliance with current statutory requirements, land rules or

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

building regulations or is subject to any environmental issues that would have a material adverse impact on our Group's business operations and/or our financial position.

5.7.3 Regulatory requirements and environmental issues

Our Board confirms that there are no regulatory requirements and/or major environmental issues which may affect our Company's operations arising from the utilisation of our assets.

Kindly refer to Section 6.11.2 of this Prospectus on details relating to our health, safety and environment management.

5.7.4 Material capital expenditures and divestitures

Save as disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for the past 4 financial years:

| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
|---|--------------------|--------------------|--------------------|--------------------|
| Property, plant and equipment purchased | | | | |
| (i) Buildings | 1,133 | 1,156 | - | - |
| (ii) Buildings-in-progress | 1,115 | 130 | - | - |
| (iii) Furniture and fittings | 77 | 102 | 22 | 11 |
| (iv) Operation tools and equipment | 2,353 | 2,356 | 56 | 156 |
| (v) Office equipment | 103 | 72 | 3 | 55 |
| (vi) Motor vehicles | 3 | 252 | - | - |
| (vii) Plant and equipment | - | 836 | - | 87 |
| (viii) Renovation | 591 | 313 | 209 | - |
| (ix) Vessel | - | - | - | 39,521 |
| (x) Vessel-in-progress | - | - | - | 2,482 |
| (xi) Others – computers and telecommunication equipment | 109 | 281 | 34 | 11 |
| Total | 5,484 | 5,498 | 324 | 42,323 |
| Investment in joint venture* | - | 1,747 | 2,849 | 3,640 |

Note:

* Represents the book value and the share of post acquisition profits of our investment in SK Offshore, a joint venture. As at the LPD, our Group, through Carimin Marine has an investment in 14% of the issued and paid-up share capital of SK Offshore.

The above material capital expenditures were made within Malaysia and primarily financed by a combination of bank borrowings and internally generated funds.

There were no material capital divestitures by our Group for the past 4 financial years.

Save for our planned capital expenditures relating to our expansion plans as set out in Section 6.17 of this Prospectus, we do not have any material capital expenditures and divestitures, within or outside Malaysia.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.7.5 Material plans to construct, expand or improve facilities

Save as disclosed below, we do not have immediate plans to construct, expand or improve our existing facilities:

- (i) Development of our existing minor fabrication yard at Kawasan Industri Telok Kalong;
- (ii) Delivery of an Accommodation Workboat (AWB) (scheduled for June 2015) to support our existing business activities; and
- (iii) Expansion of our existing equipment rental services with the new equipment that we intend to purchase.

We have allocated RM47.32 million from the proceeds of our IPO for the abovementioned expenditures. Kindly refer to Section 3.10 of this Prospectus for detailed information on the utilisation of proceeds.

Additional information on the abovementioned expenditures are also set out in Section 6.17 of this Prospectus.

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6. BUSINESS OVERVIEW

6.1 GROUP OVERVIEW

6.1.1 Our history

Our Group's business activities centre on supporting the offshore oil and gas industry in Malaysia. We are predominantly involved in the provision of both onshore and offshore construction works, hook up and commissioning, topside major shut down and non-shutdown maintenance and upgrading services including minor fabrication services. Our other business unit also includes provision of inspections services, manpower supply and equipment rental services. We own an AHTS vessel, and have an investment in a company, SK Offshore, which owns an AWB.

Our Group was formed on 2 May 1989 with the incorporation of CSB in Sarawak, east Malaysia. CSB commenced operations as a provider of inspection and of manpower supply services. Esa Bin Baharum, an engineer previously with Esso Malaysia, bought over CSB in 1990 and moved its operations to the peninsular Malaysia. In 1990, we were mainly involved in the provision of inspection and manpower supply services providing supervisory inspection and technical professional personnel to operators in the oil and gas industry.

In 1992, CSB secured its first contract from Esso Malaysia for the provision of general inspection services which provided the springboard for CSB in winning more contracts from Esso Malaysia.

Mokhtar Bin Hashim joined CSB as its Managing Director in mid 1994 to spearhead the company's operations whilst Esa Bin Baharum focused on business and corporate developments. In 1996, CSB underwent a restructuring that resulted in both Mokhtar Bin Hashim and Esa bin Baharum having 50% equity stake in the company.

At the end of 1997, CSB secured its first contract from Petronas Carigali to provide technical professionals personnel over a 4-year period. The contract gave the opportunity to solicit new partners for financial support and backing. Subsequently in 1998, Alloy Oil & Gas Sdn Bhd ("AOGSB") emerged as a shareholder of CSB with AOGSB acquiring a 70% equity stake in CSB, purchasing a 35% equity stake in the company each from Mokhtar Bin Hashim and Esa Bin Baharum. Both Mokhtar Bin Hashim and Esa Bin Baharum remained as shareholders of CSB with each of them holding 15% equity stake in CSB.

The business of providing professional manpower supply services continued through to the early 2000, with small project wins from fabricators and players in the oil and gas industry. By 2003, Mokhtar Bin Hashim had increased his equity stake in CSB after acquiring Esa Bin Baharum's 15% equity stake in CSB. Subsequent to the departure of Esa Bin Baharum, Mokhtar Bin Hashim then diversified our Group's business into other fields such as providing minor fabrication services.

In 2004, Mokhtar Bin Hashim carried out a management buyout to take control of CSB from AOGSB and simultaneously invited Cipta Pantas which resulted in Cipta Pantas and Mokhtar Bin Hashim owning 51% and 49% equity stakes in CSB respectively. Under the new shareholding structure of CSB, Mokhtar Bin Hashim continues to focus on managing the company's operations as well as securing new contracts for CSB while Cipta Pantas remained as an investor.

With the financial backing from Cipta Pantas, Mokhtar Bin Hashim was then able to realise his vision to diversify the business and take CSB for the next thrust forward.

The diversification was not restricted to minor fabrication services alone and by the year 2004, CSB had started to provide non-shutdown maintenance services. The first maintenance

6. BUSINESS OVERVIEW (Cont'd)

services project that we provided was for Petronas Carigali, involving onshore fabrication and a topside maintenance for a platform at offshore, Terengganu.

CSB continued to carry out minor fabrication services projects at third-party facilities until 2005, when its first minor fabrication yard at Jalan Jakar in Kemaman, Terengganu became operational.

Carimin Engineering was then incorporated on 20 September 2005, and began business operations immediately thereafter in 2006. Carimin Engineering currently provides both onshore and offshore construction works, hook up and commissioning, topside major shutdown and non-shutdown maintenance and upgrading services including minor fabrication services.

Our first major offshore hook up and commissioning and installation support services project secured in 2007 was from Murphy Oil, with a contract work value of RM160.0 million through competitive bidding. This was followed by another main hook up and commissioning project awarded by Talisman with a contract work value of RM84.0 million.

In order to keep pace with our expanding operations, in 2010, we relocated our fabrication facilities from the minor fabrication yard located at Jalan Jakar to Kawasan Industri Telok Kalong in Kemaman, Terengganu which has a land area size of 78,448 sq ft.

Meanwhile in the manpower supply services division, the business grew steadily with contract wins from Esso Malaysia/ExxonMobil from periods 1996 to 2004 (total contract work value of RM31 million) and further extended to 2012 at a total contract work value of approximately RM140 million; Petronas Carigali from periods 1997 to 2007 (total work value of RM60 million) and further extended to 2012 at a work value of RM30 million. The Murphy Oil contract was secured in 2000 to provide manpower supply services for drilling professionals worth RM25 million and in 2006, we won another sizeable contract to provide professional manpower supply services from Talisman worth RM51 million.

The business development in hook up and commissioning gathered momentum in 2010 when we secured a contract from Petronas Carigali for the provision of offshore hook up and commissioning of Petronas Carigali facilities for a 2-year period through a competitive bid ("Sarawak/Sabah HUC Contract").

Work on the 3 work package clusters under this contract began in 2011, which involved providing upgrading and rejuvenation services, major shutdown and non-shutdown maintenance and hook up and commissioning works. We commenced work activities on the Bokor and Baram A fields in June 2011 whilst the West Lutong field started in July 2011 and all these fields are located offshore, East Malaysia. The total value of the work carried out as at 30 June 2013 was RM363 million. As at LPD, we have completed for the 3 work package clusters, and full work completion is anticipated in March 2014.

On 13 November 2013, we secured a contract from Petronas Carigali to provide offshore hook up and commissioning and topside major maintenance for production platforms and structures located offshore peninsular Malaysia (Peninsular Malaysia HUC Contract). The duration of the contract is for 5 years i.e. up to end year 2018.

Our manpower supply services business division meanwhile, continues to register new contract wins and extension of existing contracts from our existing customers.

With regards to our Group-wide activities, several of our subsidiaries became operational in 2010, 2011 and 2012.

6. BUSINESS OVERVIEW (Cont'd)

Carimin Equipment was incorporated on 24 November 2010, and began business operations in 2011. Carimin Equipment essentially provides equipment maintenance and rental services to our Group for all the projects it is involved and intend to offer similar services to third-parties in the future, operating out of our minor fabrication yard in Telok Kalong, Kemaman, Terengganu.

Carimin Corporate was incorporated on 24 November 2010 and its principal activities are primarily for the provision of corporate, management and support services for its projects.

Carimin Resources was incorporated on 24 December 2010 with the intention of establishing project and data management services for our Group. The company is however, presently dormant.

Carimin Marine incorporated on 16 August 2011 was acquired by CSB on 25 June 2012. The company holds our investment in SK Offshore who owns SK Deep Sea, an AWB, namely SK Deep Sea that is currently being chartered for our Peninsular Malaysia HUC Contract.

In October 2013, Carimin Marine through its subsidiary, Carimin Airis acquired Carimin Airis Vessel, an AHTS vessel at the purchase consideration of RM33.52 million. This marine vessel is part of our initiative to support our Peninsular Malaysia HUC Contract, which requires us to be equipped with the appropriate facilities as part of the project requirement under the said contract.

In March 2014, we had entered into a Memorandum of Agreement to acquire an additional AWB, namely Carimin Acacia. Carimin Acacia is scheduled for delivery in June 2015.

Moving forward, it is our intention as we position ourselves to provide offshore marine support vessel services to third-parties as part of our growth strategy and expansion plans.

CSB and Carimin Engineering have obtained ISO 9001:2008 quality management system certification for the scope of provision of manpower supply and provision of engineering, procurement, construction, hook up and commissioning services for oil and gas industry respectively.

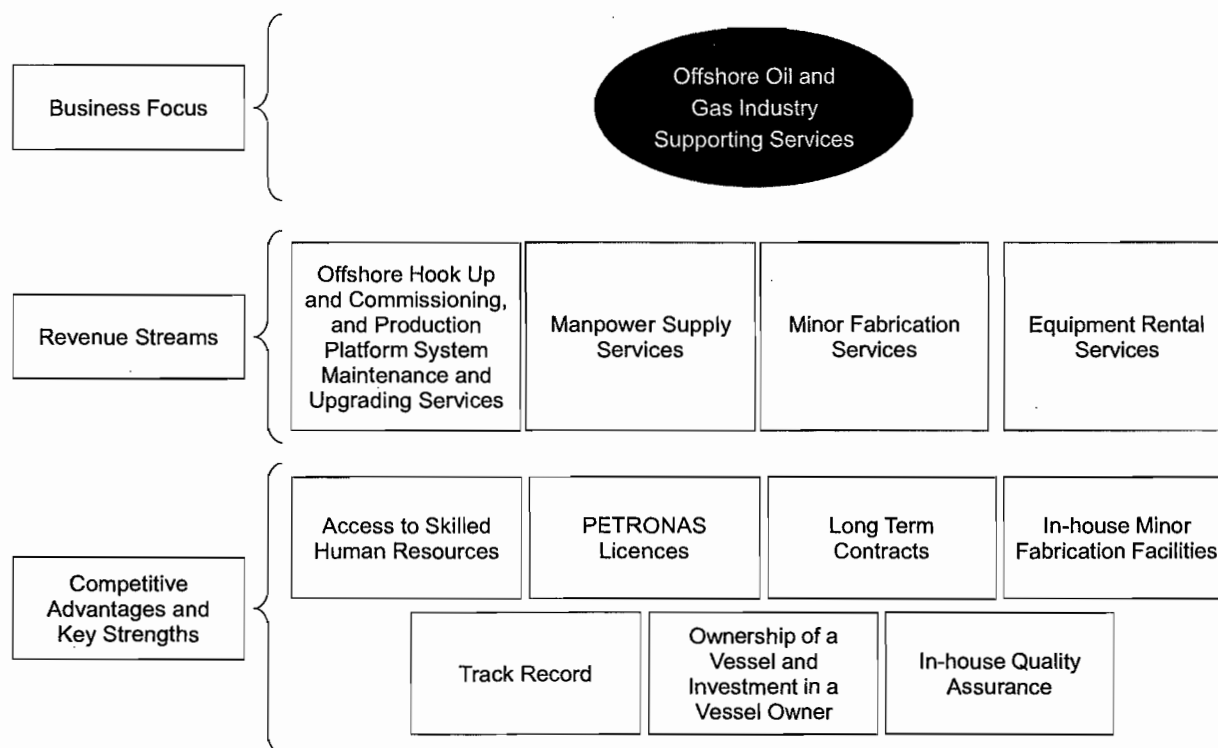
In the last decade, our Group has also received numerous awards related to our safety excellence from our esteemed customers.

Since the founding of our Group in 1989, we have developed our business from the initial provision of purely inspection and manpower supply services to encompass onshore and offshore construction works, hook up and commissioning, topside major shutdown and non-shutdown maintenance and upgrading services including minor fabrication services, and providing equipment maintenance and rental services. The acquisitions of marine vessels have not only given us the competitive edge and enhancing our capabilities but it broadens our potential earnings. Our Group's total revenue and PAT were RM245.58 million and RM21.90 million in FYE 2014, respectively.

6. BUSINESS OVERVIEW (Cont'd)

6.2 OUR BUSINESS MODEL

Our Group's business model is depicted in the figure below:



(a) Business focus

We are principally involved in providing services that support the offshore oil and gas industry in Malaysia. We have since developed and expanded our capabilities to include the provision of offshore hook up and commissioning, and production platform system maintenance and upgrading, minor fabrication, and equipment rental services.

The customers we currently support include PSC operators and contractors, engineering and fabrication companies, oil and gas supporting service providers, and other companies in the oil and gas industry.

(b) Revenue streams

Our main revenue streams come from providing support services to the offshore oil and gas industry. Our revenue streams are derived from providing offshore hook up and commissioning, and production platform system maintenance and upgrading, manpower supply, and minor fabrication services.

Offshore hook up and commissioning, and production platform system maintenance and upgrading services was our largest contributor during FYE 2014, accounting for 64.77% of our total revenue.

Manpower supply services accounted for 35.08% of our revenue in FYE 2014. In addition to serving external customers, our minor fabrication services also supports

6. BUSINESS OVERVIEW (Cont'd)

our offshore hook up and commissioning, and production platform system maintenance and upgrading services projects by fabricating temporary structures and equipment.

While we also started to provide equipment rental services during the FYE 2011 and served external customers during that financial year, this business activity is currently undertaken mainly to support the activities of our subsidiaries, CSB and Carimin Engineering. In FYE 2014, revenue from the provision of equipment rental services accounted for 0.15% of our total revenue.

(c) Competitive advantages and key strengths

Our competitive advantages and key strengths are important in sustaining our business and providing our Group with future business growth opportunities.

(i) Access to skilled human resources

We have access to oil and gas industry human resources through our extensive in-house database of geoscientists, engineers, technicians, professionals, welders, riggers and other personnel. We also have access to third-party databases and industry contacts.

As at LPD, our in-house database had up-to-date information on approximately 1,000 experienced geoscientists, engineers, technicians, professionals and other personnel.

Our in-house data base coupled with our access to third-party databases and industry contacts allow us to fulfil our customers' staffing needs on short notice.

(ii) PETRONAS licences

Under the Malaysian Petroleum Rules 1974, operators have to obtain specific licences issued by PETRONAS to participate in the oil and gas industry in Malaysia. CSB and Carimin Engineering have been licenced by PETRONAS to provide a range of services, including offshore hook up and commissioning, production platform system maintenance and upgrading, manpower supply and minor fabrication services.

As this is a critical factor in sustaining our business, we constantly work to ensure that we fulfil the requirements of our licences, as well as obtaining new licences to provide new products and services within the oil and gas industry in Malaysia.

The stringent procedures implemented by PETRONAS in ensuring only suitably qualified vendors and/or service providers are issued any licences indirectly acts as a barrier to entry helps mitigate the competitive intensity within the oil and gas industry in Malaysia.

(iii) Long term contracts

Our Group's ability to continuously secure new and long term contracts, ie, for the terms more than 3 years from our customers' is an indication of our capabilities, reliability and reputation of being able to deliver quality work, achieving high safety standards and on time completion. Long term contracts

6. BUSINESS OVERVIEW (Cont'd)

provide some assurance of business sustainability compared to other operators who may provide services on short term work or ad hoc orders.

Long term contracts provide the advantage of operating our business activities at the most efficient levels, as we are able to derive cost savings from owning assets rather than renting and provides for sustainable growth through investment in our human resource. These lay the platform for us to expand our business either vertically (such as complimentary activities in engineering, procurement and construction segments) and/or horizontally (such as similar marine underwater transportation and subsea activities) within the oil and gas industry.

(iv) In-house minor fabrication facilities

Our minor fabrication yard located in Kawasan Industri Telok Kalong, Kemaman, Terengganu is equipped and staffed with skilled personnel enables us to carry out minor fabrication works to support our offshore hook up and commissioning projects by fabricating any structures to be used at various locations during the project and our maintenance services.

We also have capabilities to undertake third-party customers' order for fabrication of piping systems, skids and other minor steel structures.

(v) Track record

Since the commencement of our operations in 1989, we have built a strong track record of successfully developing our business capabilities. Having started as a provider of manpower supply services in 1990, we started to provide minor fabrication services in 2003. Consequently, in 2006 our offshore hook up and commissioning services business secured our first production platform system maintenance and upgrading services contract. Our rental services business also started during FYE 2011.

Our track record and reputation has enabled us to establish our customer base which helped to secure new projects and customers.

(vi) Ownership of a vessel and investment in a vessel owner

We acquired Carimin Airs Vessel, an AHTS vessel in October 2013. The vessel is currently utilised to support the implementation of our offshore hook up and commissioning, and production platform system maintenance and upgrading services contract with Petronas Carigali.

In addition, we have an investment comprising a 14% equity stake in SK Offshore, which owns SK Deep Sea, an AWB. The vessel is currently operating for our Group in support of our projects in Malaysia for Petronas Carigali facilities.

Our vessel ownership and investment in another vessel is complementary to our business focusing on providing production platform system maintenance, upgrading, and offshore hook up and commissioning services, as AHTS and accommodation vessels are used to support works activities offshore. Our work operations, resource allocation and project execution from control of these vessels is a strength that enhances our capability to complete our works within schedule.

6. BUSINESS OVERVIEW (Cont'd)

Commercially, control of own vessels will put us in a better position to bid for offshore hook up and commissioning, and production platform system maintenance and upgrading contracts as we are able to ensure availability of the vessels to support the implementation of the contract.

As part of our future plans, we intend to purchase additional offshore support vessels, which will further strengthen our capability to offer our customers a complete package, as well as creating an opportunity to provide vessel services to third-party customers.

(vii) In-house quality assurance

CSB and Carimin Engineering, is currently ISO 9001:2008 quality management system accredited for scopes of work relevant to their principal business activities. Internally, we have an established in-house quality policy to ensure that specified quality standards are adopted and maintained.

Our Group has a qualified and experienced Head of Quality Assurance and Quality Control to lead the quality assurance team. The importance placed in quality management is evidenced by our operational safety record, whereby as at LPD we have not experienced any loss time incident since April 2010.

In addition, we have also received several awards and recognitions in relation to our safe operations from our customers providing our current and potential customers the confidence of our operations and safety quality.

6.3 PRINCIPAL ACTIVITIES

6.3.1 Principal business activities

The primary business activities of our Group are centred on supporting the offshore oil and gas industry in Malaysia. Our business activities include the provision of the following services:

- Offshore hook up and commissioning, and production platform system maintenance and upgrading;
- Manpower supply;
- Minor fabrication services;
- Equipment rental; and
- Marine services

We own an AHTS, and our investment in SK Offshore, owns an AWB.

6. BUSINESS OVERVIEW (Cont'd)**(a) Offshore hook up and commissioning, and production platform system maintenance and upgrading services**

We have in-house capabilities to undertake offshore hook up and commissioning activities. We provide production platform system maintenance and upgrading services for our customers focusing on platforms in Brownfields. Our maintenance services are intended to facilitate safe and uninterrupted operations, while our upgrading services are mainly carried out to improve performance or efficiency, including to enhance an existing platform's oil and gas production rate.

(i) Offshore hook up and commissioning

Offshore hook up and commissioning is normally carried out in an offshore Greenfield development, where a new production platform is installed. Our hook up work typically involves the final installation of pipe systems, decks, minor structures, caissons, conductors, instrumentation, power cabling and inter-module tie-ins on an offshore production platform. These items are normally not installed at the fabrication yard to facilitate transport by barge, or to prevent damage to sensitive equipment during transit. Our commissioning works include all testing, pre-commissioning and/or preservation, and final commissioning of all installed facilities. This is to ensure that they are in proper working condition in accordance with our customers' specifications, and the production platform is ready to produce hydrocarbons.

Our offshore hook up and commissioning services typically involved the following offshore platform facilities and systems:

- Process equipment, including gas compression, gas dehydration and water injection;
- Process utilities, including vents, drains, fuel and blanket gas, chemical dosing, process heating and inert gas;
- General facilities, including fuel and lubrication tanks, air compressors, water piping, and heating, ventilation and air conditioning equipment;
- Safety systems, including fire-fighting and life boats;
- Power systems, including electrical power generation and distribution, and minor power distribution;
- Control systems, including process control, gas detection and alarms;
- Telecommunications systems, including telephones, public address and closed circuit television systems;
- Lifting equipment, including pedestal cranes, monorails and hoists; and
- Living and working quarters, including appliances and equipment.

6. BUSINESS OVERVIEW (Cont'd)



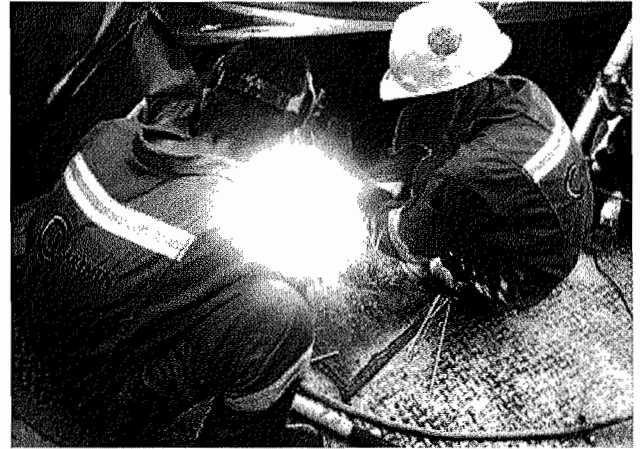
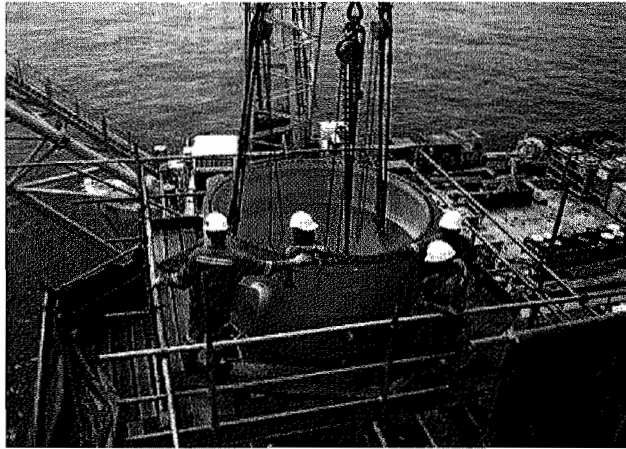
Our personnel installing deck extension (left) and instrumentation (right)

Hook up and commissioning of equipment, systems and related instrumentation encompass the disciplines of electrical, electronic and instrumentation engineering in installing and testing of electrical, electronic and instrumentation systems in accordance with customers' specifications.

In general, the hook up process mainly involves inter-connecting and interfacing the various structures, process and control systems that, together, form an offshore platform, including steel structures, piping and equipment.

Some of the tasks that we undertake in relation to offshore hook up and commissioning include:

- Preparation works, including project planning and scheduling, procuring the required tools and materials, system design, securing the required marine vessels and transportation services, and the management of mechanical completion;
- Designing and fabricating systems such as pipe systems, skids, instrumentation, and permanent or temporary steel structures that are required for replacement, modification and upgrading purposes prior to the hook up process;
- Testing and commissioning, which are carried out to ensure that all the installed systems are fully tested and commissioned to the fullest practical extent, to the satisfaction of the customers. The objectives of our testing and commissioning include:
 - . Verifying that equipment is installed in accordance to the relevant technical drawings, scope of work and manuals;
 - . Proving that installed equipment is able to function to its design specification, requirements and intended purpose; and
 - . Compile the required test data and results for proper documentation.

6. BUSINESS OVERVIEW (Cont'd)

Our personnel installing deck crane

Our offshore hook up and commissioning services involve engineers from various disciplines, including engineers from our piping, mechanical, electrical, instrumentation and commissioning teams. We engage only experienced and competent commissioning personnel to ensure that our projects are executed safely, on time and in compliance with our customers' quality requirements. They are also supported by our quality assurance and control department, who carry out on-site inspection and our HSE department controls and monitors safety.

During the FYE 2012, our hook up and commissioning project included a project to install a mercury removal unit on a production platform offshore peninsular Malaysia. Our scope of work included fabricating the stainless steel piping spools at our fabrication yard in Kemaman, Terengganu. We installed temporary platforms on the production platform to support the mercury removal unit installation work.

Our completed and on-going offshore hook up and commissioning projects are as follows:

| Project name | Customer | Work period* | Approximate work value RM'million |
|--|-----------------|---------------------|--|
| Offshore hook up and commissioning for SK 309/311 Phase 1 Gas Development Project | Murphy Oil | 2008 - 2010 | 160 |
| Hook up and commissioning for PM3 CAA and PM 305 | Talisman | 2008 - 2012 | 84 |
| Hook up and commissioning of compression facilities, retrofit and hose tie-in at East Belulut platform | Newfield | 2009 - 2010 | 1 |

6. BUSINESS OVERVIEW (Cont'd)

| Project name | Customer | Work period* | Approximate work value RM'million |
|---|-------------------|---------------------|--|
| Hook up and commissioning of West Belumut wellhead platform | Newfield | 2010 - 2011 | 4 |
| Hook up and commissioning of Petronas Carigali facilities for 2010 to 2012 – KNJC-T | Petronas Carigali | 2010 - 2014 | 12 |
| Provision for hook-up commissioning of Petronas Carigali facilities (Sarawak/Sabah HUC Contract) | Petronas Carigali | 2010 – 2014 | 412 [^] |
| Hook up and commissioning services for West Desaru Early Production System (EPS) Project, Block PM304 | Petrofac | 2012 - 2013 | 16 |
| Hook up and commissioning for ERB West Field Drilling Project | Petronas Carigali | 2013 - 2014 | 9 |
| Peninsular Malaysia HUC Contract | Petronas Carigali | 2013 - 2018 | 899 |

Notes:

[^] Total value of work order carried out as at LPD which mainly involved production platform system maintenance and upgrading services are further elaborated below.

* Period of time work was carried out. Usually this will go beyond contractual period of time due to clients' extended scope of work.

(ii) Production platform system maintenance services

We provide production platform system maintenance services to rectify faults that affect systems installed on a production platform, including piping, pumps, motors, transmitters and structural works.

Typically, the production platform is first shut down and the faulty part is removed from the system. The faulty part is inspected and tested to identify the nature and extent of the fault. If the fault is found to be workable, the part is repaired. The part is replaced if the fault is found to be unworkable. We have the capability to provide fabrication services to create new parts. The repaired or new part is then calibrated to ensure that it fits in with the existing system, and re-installed.

6. BUSINESS OVERVIEW (*Cont'd*)

The production platform system maintenance services that we provide involve the shut-down of the production platform, and as such we engage only experienced and competent personnel to carry out the work. In addition, the production platform system maintenance service work must be carried out without affecting any of the other systems installed on the production platform, and must be completed within a stipulated period of time.

We engage only experienced and competent discipline engineers, and tradesmen such as riggers, instrument and electrical technicians, piping and structural welders and fitters, and test technicians. They are supported by our quality assurance and control department, carrying out on-site inspection, and our HSE department controls and monitors safety.

(iii) Production platform system upgrading services

The production platform system upgrading projects that we carry out typically require between 0.5 million man-hours and 1.0 million man-hours of total work to execute. The number of man-hours required varies based on, among others, the number of new items that are installed per production platform, and the number of production platforms involved.

Currently, our production platform system upgrading services focus on the production platform's process piping systems. The work that we carry out includes, but is not limited to, pipeline rejuvenation.

The main activity involved in pipeline rejuvenation is the replacement of the production platform's old and/or corroded pipes and equipment with new pipes and equipment. The items that are commonly replaced include piping systems, chemical injection points, launchers/receivers, as well as the replacement of existing manual control valves with automatic control valves. In some cases, addition we also treat pipes with corrosion inhibitors to manage corrosion in the pipe interior, and to prolong the life of the pipe. Additional chemical injections skids are sometimes added to the production platform, which necessitates the installation of platform decking extensions.

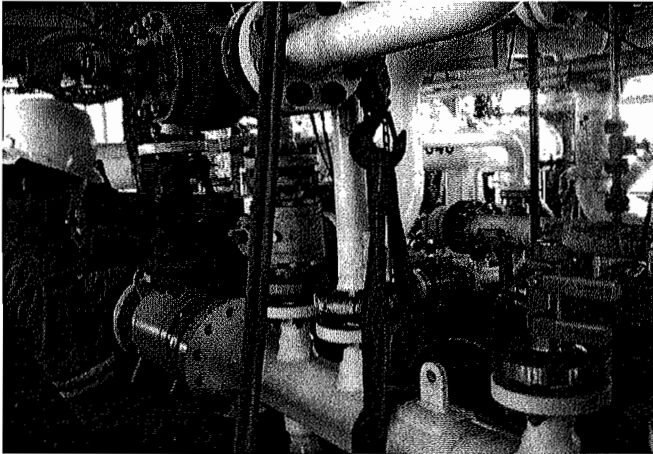
Other items that may be installed as part of our production platform system upgrading service include:

- Safety and control systems such as transmitter sensors, control valves, alarm and shutdown controls, and fire and gas detection systems;
- Electrical items, such as electrical motors and earthing systems; and
- Production platform structures, such as deck extensions to create the space required to installed new skids and launchers/receivers.

The provision of our production platform system upgrading services involve engineers from various disciplines, including engineers from our structural, piping, mechanical, electrical, instrumentation and commissioning teams. We engage only experienced and competent managers, technicians and tradesmen such as welders, riggers, scaffolders, instrument and electrical technicians, blasters and painters to ensure that our projects are executed safely, on time and in compliance with our customer's quality requirements. They are also

6. BUSINESS OVERVIEW (*Cont'd*)

supported by our quality assurance and control department, who carry out on-site inspection, and our HSE.



Our personnel carrying out production platform maintenance services

During FYE 2012, we installed a new natural gas transmission pipeline, which included tie-ins to existing facilities on the production platforms operating offshore of east Malaysia as part of the Sarawak/Sabah HUC Contract.

We also carried out upgrading and modification work to enable the production platforms to operate as a simultaneous production and drilling ("SIPROD") platform. Prior to the implementation of the project, hydrocarbon production had to be suspended whenever drilling operations were carried out, resulting in a temporary cessation of output. With the completion of the modification and upgrading works, the production platforms can now operate on a SIPROD basis, allowing hydrocarbon production to continue while drilling operations are carried out to tap new hydrocarbon reserves or improve production from existing reserves.

(b) Manpower supply services

We provide manpower supply services to our customers in the oil and gas industry, including:

- PSC operators and contractors;
- Engineering and fabrication companies;
- Oil and gas supporting service providers; and
- Other upstream oil and gas companies.

While our manpower supply services are mainly for our customers in Malaysia, we also provide manpower to customers overseas. Our manpower supply services contracts implemented in the past are summarised in Section 6.1.1 of this Prospectus and those that are currently undertaken by our Group are set out in Section 6.3 of this Prospectus.

We utilise our proprietary database to assist our customers to source personnel with the relevant skills and experience to fulfil specified functions. Our manpower supply is

6. BUSINESS OVERVIEW (Cont'd)

focused on experienced geoscientists, engineers, instrument technicians, electrical technicians, welders, riggers, scaffolders, blasters, painters, and skilled other tradesmen.

As at LPD, our proprietary database has up-to-date information on approximately 1,000 experienced personnel. We also work with other manpower service providers where we have access to their databases.

Our scope of work normally includes identifying and screening potential candidates with suitable qualifications, conducting interviews and creating a shortlist of potential personnel for our customers, who then make the final decision to accept or reject the potential personnel.

We normally match our manpower supply to our customers' requirements for specified contractual periods, which may be renewed. We hire these personnel as our employees, who then carry out their duties for our customers.

Our manpower supply service currently involves supplying our customers with personnel to carry out the following types of tasks:

- Project development personnel;
- Exploration and engineering personnel; and
- Production and operational personnel

(i) Project development personnel

The project development personnel that we supply to our customers possess design and fabrication expertise and skills. These personnel carry out a range of tasks for our customers, including:

- Detailed design;
- Hook up and commissioning; and
- Installation.

Detailed design

Detailed design is normally carried out prior to physical fabrication and manufacturing work to formalise the project's specifications, such as operating parameters, dimensions, material and equipment procurement requirements, maintenance parameters, and surface treatment. We typically supply engineers to carry out detailed design work for our customers.

Hook up and commissioning

Some of our customers who carry out hook up and commissioning work utilise their in-house resources for certain portions of the project, and engage us to supply additional personnel to support their projects. We may also supply our customers with specialised third-party services, such as naval architects, survey personnel and piling specialists.

6. BUSINESS OVERVIEW (Cont'd)

Installation

As part of the personnel that we supply for hook up and commissioning, we also supply personnel qualified to work offshore to carry out offshore installation work.

(ii) Exploration and engineering personnel

The exploration and engineering personnel that we supply are mainly involved in the search for and identification of oil and gas reserves in the offshore environment.

These personnel perform a range of tasks for our customers, including:

- Drilling services;
- Front end engineering development ("FEED");
- Field development planning ("FDP"); and
- Risk analysis.

Drilling services

During the exploration phase, drilling is carried out to obtain rock and fluid samples, gather data concerning underground physical conditions, and other reservoir data. Drilling is also carried out during the development phase for production and workover wells. The personnel that we supply to our customers to carry out drilling services mainly comprise workers and technicians who carry out work on drilling rigs, supervisors and managers.

FEED

FEED refers to the conceptual design and development work that is carried out early in an offshore exploration and production project's lifecycle. At this stage, the project's design and parameters can be adjusted easily and at a relatively low cost. We typically supply engineers who have the skill and experience to carry out FEED to our customers.

FDP

We normally supply skilled geologist and engineers to develop FDP for our customers. A FDP is normally prepared before oil and gas reserves are developed for production. The FDP is a scheduled programme and cost estimate specifying the development activities required to develop and produce oil and gas from a particular field over the entire lifecycle of the field.

Risk analysis

We supply engineers and other professionals to our customers to carry out risk analysis as part of their risk management process. Risk analysis involves reviewing the risks inherent in a project, determining the probability of a risk occurring, evaluating the risks and working out how best to mitigate and/or handle the risks.

6. BUSINESS OVERVIEW (Cont'd)

(iii) Production and operational personnel

We supply personnel who are directly involved in production of oil and gas from offshore platforms. These personnel are typically involved in the day-to-day operation and maintenance of offshore structures, including production platforms and workover rigs.

The production and operational personnel perform a range of tasks for our customers, including:

- Maintenance services;
- Operations;
- Workover services; and
- Fabrication.

Maintenance services

The personnel that we supply typically provide services to maintain, repair and modify offshore platforms. These personnel commonly perform tasks such as minor facilities upgrade, assembly and fabrication, removal and installation, inspection, blasting and painting, and testing. We typically supply technicians and supervisors to provide maintenance services to our customers.

Operations

We also supply personnel who carry out the day to day work to operate and maintain the various equipment and systems on offshore production platforms. The personnel whom we supply to carry out production operations are typically workers, technicians and supervisors.

Workover services

Workover services are carried out to enhance the production of oil and gas from existing fields, typically involving the use of a workover rig and support vessels. We normally supply workers, technicians and supervisors to our customers who carry out workover services.

Fabrication

We supply skilled and semi-skilled personnel such as welders, technicians and supervisors to our customers to carry out fabrication work. These personnel may possess qualifications to engage in various types of welding techniques.

(c) Minor fabrication services

We currently provide minor fabrication services for third-party customers, and to support the offshore hook up and commissioning, and production platform system maintenance and upgrading services projects that we undertake.

Presently, we operate from our minor fabrication yard located in Kawasan Industri Telok Kalong, Kemaman, Terengganu which has a covered workshop and an open fabrication area.

6. BUSINESS OVERVIEW (*Cont'd*)

We are involved in various aspects of minor fabrication, including:

- Producing design and technical drawings;
- Procurement of raw materials and components;
- Fabrication including cutting, rolling, bending and welding of metal products;
- Sub-assembly of fabricated parts and components for piping and other metal structures;
- On-site assembly of sub-assembled parts and components on the offshore topsides, by aligning structures and joining them by welding, bolting or riveting for minor structures and piping; and
- System installation, testing and commissioning.

The minor fabrication work that we undertake for third-party customers is primarily to produce piping systems, skids and other minor steel structures (for example pipe spools, hand rails and platform extensions for access purposes) for installation on offshore structures.

Our fabrication business also supports our production platform system maintenance and upgrading, and hook up and commissioning projects by fabricating temporary structures and equipment that are used at various times during the project, particularly during on-site installation. The temporary structures and equipment that we fabricate in-house includes support structures, ramps, ladders, piping systems and scaffolding.

(d) Equipment rental

We started to provide equipment rental services as a new business activity during the FYE 2011, when we rented out welding equipment.

The equipment rental services that we provided during FYE 2012 supported the activities of our subsidiaries, CSB and Carimin Engineering. There were no rental revenue from external customers for equipment rental services in FYE 2012. For FYE 2013, revenue from the provision of equipment rental services accounted for 0.01% of our total revenue. In FYE 2014, revenue from the provision of equipment rental services accounted for 0.15% of our total revenue.

(e) Marine services

We acquired Carimin Airis Vessel, an AHTS vessel, in October 2013.

We have an investment in a company, SK Offshore, which owns SK Deep Sea, an AWB. As at LPD, we had one representative on the board of SK Offshore. To date, we have not received any dividends from SK Offshore. The ownership structure and their involvement in SK Offshore are summarised in the following table:

| Company | Shareholding in SK Offshore (%) | Involvement in SK Offshore |
|--------------------------------|---------------------------------|-------------------------------------|
| PT Bahtera Niaga Internasional | 40.0 | Operation activities of SK Offshore |

6. BUSINESS OVERVIEW (Cont'd)

| Company | Shareholding in SK Offshore (%) | Involvement in SK Offshore |
|------------------------------------|--|--|
| Nam Cheong Dockyard Sdn Bhd | 40.0 | Accounting matters of SK Offshore |
| Carimin Marine | 14.0 | Apply for licence for marine spread jobs from Petronas, and obtain contract for marine spread jobs by Petronas |
| CTNS Marine Sdn Bhd | 5.0 | Operation activities of SK Offshore |
| Mega Multiform Investments Limited | 1.0 | - |

SK Offshore bills our Group for chartering SK Deep Sea, and we bill our client for services rendered using SK Deep Sea. Carimin Marine has also granted SK Offshore the rights of first refusal to participate in the contracts awarded by Petronas Carigali provided that:

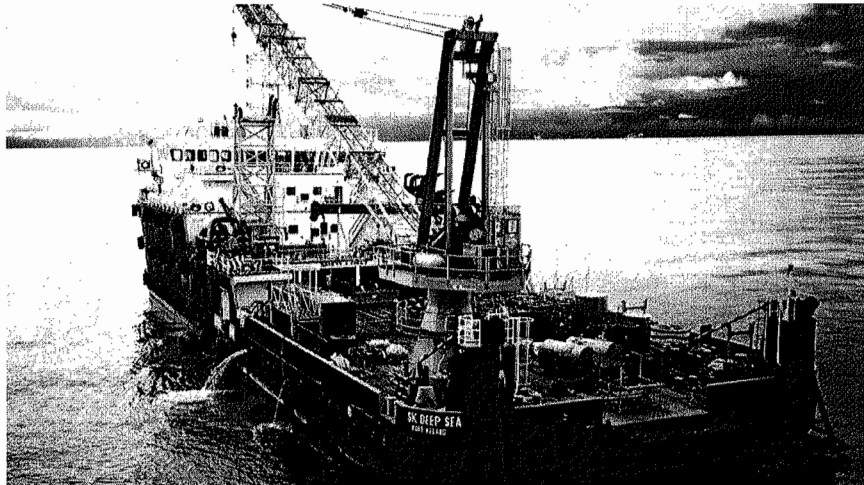
- (i) there is no objection from Petronas Carigali; and
- (ii) the prices and other terms quoted by SK Offshore for the participation in such contract is competitive.

As at LPD, the vessels are being utilised to support our Group's offshore hook up and commissioning, and production platform system maintenance and upgrading services.



CariminAris Vessel

6. BUSINESS OVERVIEW (*Cont'd*)



SK Deep Sea

While we did not recognise revenue from third-party customers from the provision of marine services for FYE 2013, as part of our future plans we intend to develop the capability to provide marine services, including vessel chartering, to external customers.

In March 2014, we had entered into a Memorandum of Agreement to acquire an additional AWB, namely Carimin Acacia. Carimin Acacia is scheduled for delivery in June 2015.

6.3.2 Contracts in hand

Our offshore hook up and commissioning, and production platform system maintenance and upgrading services contracts in hand as at LPD are summarised in the following table:

| Customer | Contract duration | | Approximate work value RM' million |
|--|-------------------|----------|---------------------------------------|
| | Start date | End date | |
| Petronas Carigali - Peninsular Malaysia HUC Contract* | May 2013 | May 2018 | 899.0 ^ |

Notes:

- * Based on the contract duration as stated in the letter of award although the said contract was executed on 13 November 2013. The work has commenced in January 2014.
- ^ Work value as estimated by our management. As at the LPD, work orders amounting to RM92.4 million has been rolled out.

6. BUSINESS OVERVIEW (Cont'd)

Our contracts in hand for manpower supply services as at LPD are summarised in the following table:

| Customer | Contract duration | | | Contract value RM' million |
|--|-------------------|-------------------------|------------------|-------------------------------|
| | Start date | End date | Extension option | |
| PC Myanmar (Hong Kong) Ltd | August 2011 | August 2015 | 1+1 year | 3.0 |
| Sarawak Shell Berhad | August 2011 | August 2015 | 2 years | 2.0 |
| Sarawak Shell Berhad | September 2011 | September 2015 | 1 year | 2.0 |
| Talisman ⁽¹⁾ | December 2011 | December 2014 | 1 year | 4.5 |
| Malaysia LNG Sdn Bhd | December 2011 | November 2014 | 1 year | 0.5 |
| Murphy Oil | February 2012 | February 2015 | 1 year | 3.0 |
| Hess (Malaysia SB302) Limited | July 2011 | May 2014 ⁽²⁾ | - | 6.4 |
| PETRONAS | July 2012 | June 2015 | 1+1 year | 3.0 |
| Petronas Chemical Aromatics Sdn Bhd | July 2012 | June 2015 | 1+ 1 year | 0.5 |
| Petronas Chemicals Derivatives Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Chemicals Fertiliser Kedah Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Management Training Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Technical Training Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Trading Corporation Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Chemicals Ethylene Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Chemicals MTBE Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Penapisan Terengganu Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Chemicals Vinyl Chloride (Malaysia) Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Chemicals Ammonia Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| PETLIN (Malaysia) Sdn Bhd | July 2012 | July 2015 | 1+1 year | 0.5 |
| Petronas Maritime Services Sdn Bhd | July 2012 | July 2015 | 1+1 year | 0.5 |
| Petronas Chemicals Polyethylene Sdn Bhd | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Carigali | January 2013 | January 2016 | - | 0.2 |
| Newfield | January 2014 | January 2015 | - | 6.0 |
| HESS | April 2013 | April 2017 | 2 years | 7.5 |
| Petronas Carigali | July 2013 | June 2015 | 1+1 year | 0.5 |
| Petronas Carigali | July 2013 | June 2016 | 1 year | 2.6 |
| PC Myanmar (Hong Kong) Ltd | June 2013 | June 2015 | - | 3.1 |
| Petronas Penapisan (Melaka) Sdn Bhd | July 2013 | June 2015 | 1+1 year | 0.5 |

6. BUSINESS OVERVIEW (Cont'd)

| Customer | Contract duration | | | Contract value RM' million |
|--|-------------------|---------------|------------------|-------------------------------|
| | Start date | End date | Extension option | |
| Newfield | May 2013 | May 2015 | 6 months | 38.0 |
| Petronas Dagangan Berhad | July 2012 | June 2015 | 1+1 year | 0.5 |
| Petronas Chemical Group Bhd | July 2013 | June 2015 | 1+1 year | 0.5 |
| HESS | October 2012 | October 2017 | - | 3.0 |
| Petronas Technical Services Sdn Bhd | December 2013 | December 2016 | 2 years | 2.0 |
| JX Nippon Oil & Gas Exploration (Malaysia) Sdn Bhd | January 2014 | January 2017 | 1 year | 1.0 |
| SapuraKencana Energy Peninsula Malaysia Inc. | March 2014 | March 2015 | - | 1.0 |
| SapuraKencana Energy Peninsula Malaysia Inc. | May 2014 | April 2015 | - | 1.0 |
| PETROFAC (Malaysia-PM304) Limited | July 2014 | October 2015 | 3 months | 2.0 |
| Total | | | | 100.8 |

Notes:

- (1) Comprising 3 contracts with cumulative contract value of RM4.5 million.
(2) Although this contract has ended, work order is still on-going on request basis.

6.4 REVENUE SEGMENTATION

The revenue segmentation is set out in Section 12.2.1 of this Prospectus.

6.5 EQUIPMENT AND MACHINERY

Our equipment and machinery and its NBV as at 30 June 2014 are as follows:

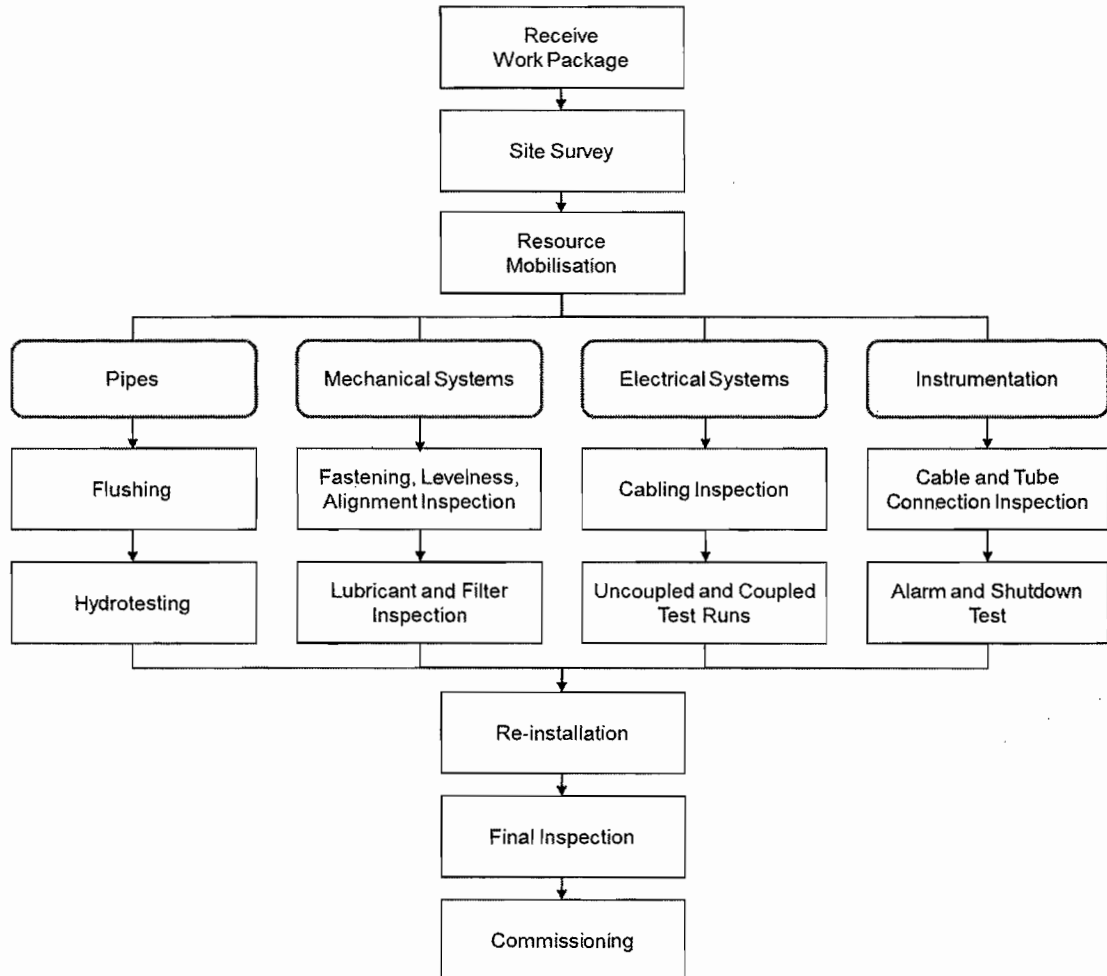
| | NBV as at 30 June 2014 RM'000 |
|---|-------------------------------------|
| Operation tools and equipment | |
| Air compressor | 477 |
| Welding machinery/generator | 627 |
| Equipment and machinery accessories/parts | 299 |
| Hydrotest equipment | 81 |
| Cargo handling equipment | 400 |
| Plant and equipment | |
| Forklifts | 351 |
| Air tugger | 342 |
| Total | 2,577 |

6. BUSINESS OVERVIEW (Cont'd)

6.6 PROCESS FLOW

(a) Production platform system maintenance and upgrading services

In general, the process flow for our production platform system maintenance and upgrading services is depicted in the diagram below:



The work package outlining the overall scope of work is received.

A survey of the site is conducted at the production platform to ascertain the type and quantity of maintenance services that are required. The resources in terms of manpower, equipment and consumables that are required are determined and mobilised.

The type of work that is required varies depending on the sub-system involved. The main sub-systems that are covered under our production platform system maintenance and upgrading services are pipes, mechanical systems, electrical systems and instrumentation.

Pipes:

- Pipes are flushed with water and/or air to clear them of residual liquid or gas. The pipe interior is checked to ensure that they are clean.

6. BUSINESS OVERVIEW (*Cont'd*)

- Hydrotesting is carried out, whereby a length of pipe, with its associated flanges, bolts and/or valves, is sealed and filled with water. The pressure of the water is brought to a specified level, and the length of pipe is inspected for leaks. Any faults that are identified are rectified by repairing or replacing the defective component.

Mechanical systems:

- The physical characteristics of the mechanical system are measured to ensure that they comply with the specifications. These include the installation and tightening of fasteners such as bolts and vibration dampers; the levelness of installed skids and equipment; and the alignment of motors and engines with gearboxes, pumps and generators. Any parameters that are found to fall outside the applicable specification are rectified.
- The lubricant and grease of mechanical systems are inspected for adequacy and cleanliness, and are topped-up or replaced as required. Filters are inspected for cleanliness and condition, and are cleaned or replaced as necessary.

Electrical systems:

- The electrical cabling connecting various parts of the electrical system are inspected to ensure that they are correctly installed, that insulation material are in an acceptable condition, and that there are no breaks in the cabling. All earthing connections are also inspected to ensure that they are terminated. Identified faults are rectified by reconnecting, repairing or replacing the affected cable, as necessary.
- Electric motors are subjected to uncoupled test runs, whereby they are run without being coupled to driven equipment, to ensure that they rotate in the correct direction. Electric motors are also subjected to coupled test runs, where they are coupled with their respective equipment, to ensure that they function properly. Electric motors that are found to be faulty are repaired or replaced.

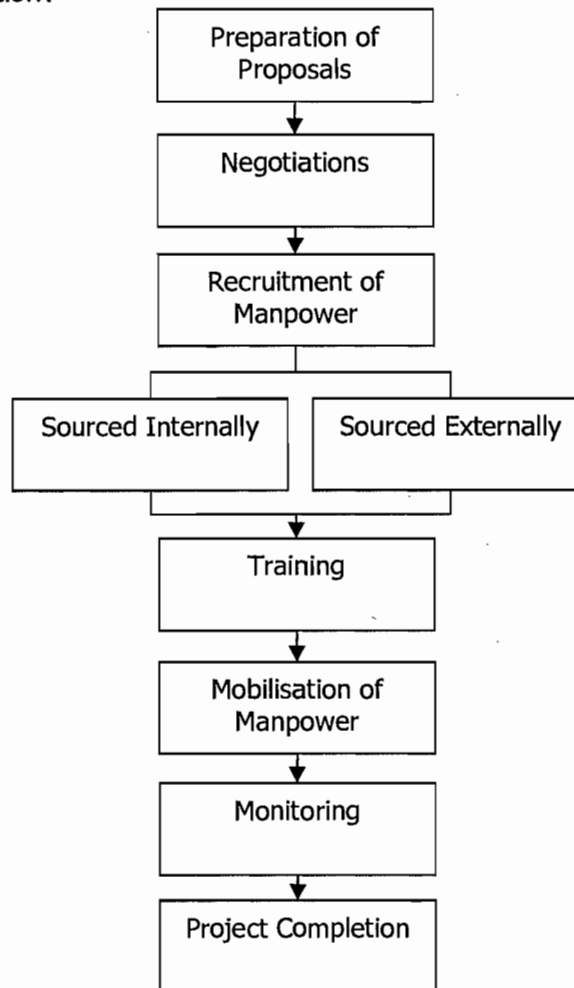
Instrumentation:

- The electrical cable and/or tubing connecting instrumentation and the processes being monitored are inspected to ensure that connections are correctly installed. Any faults that are identified are rectified, and any electrical cables or tubing that are damaged are repaired or replaced.
- An alarm and shutdown test is carried out on the instrumentation system by simulating a fault condition. This is to ensure that the correct operational sequence is initiated, and all components perform according to specifications. Any faults that are identified are rectified.

The various sub-systems and its components are re-installed after all of the inspection and repair works are completed. A final inspection is carried out. Commissioning is carried out upon passing final inspection.

6. BUSINESS OVERVIEW (Cont'd)**(b) Manpower supply services**

In general, the process flow for our manpower supply services is depicted in the diagram below:



Upon the identification of a potential project, a project manager is identified. The project manager prepares and submits a proposal document to the customer.

Once the proposal is approved and awarded to us, the project implementation and kick-off process begins with the recruitment of manpower. The recruitment of manpower is obtained from a list of engineers and other technical personnel via internal sources from our own database and external sources from third-party databases.

The manpower for the project are identified and recruited upon evaluation and confirmation from the project manager, and a project team is formed.

After that, our project team attends a training workshop conducted by the project manager to familiarise themselves with the project and our standard operating procedures, and identify their respective assignments.

6. BUSINESS OVERVIEW (Cont'd)

Upon completion of the training workshop, our project team, led by the project manager, is deployed to the customer's oil platform where they will perform their tasks.

The project manager monitors and evaluates the performance of the project team to ensure that the work performed is in order. A progress report containing information on developments of the project is prepared and submitted to the customer.

Upon completion of the project, a final report is prepared by the project team and presented to the customer.

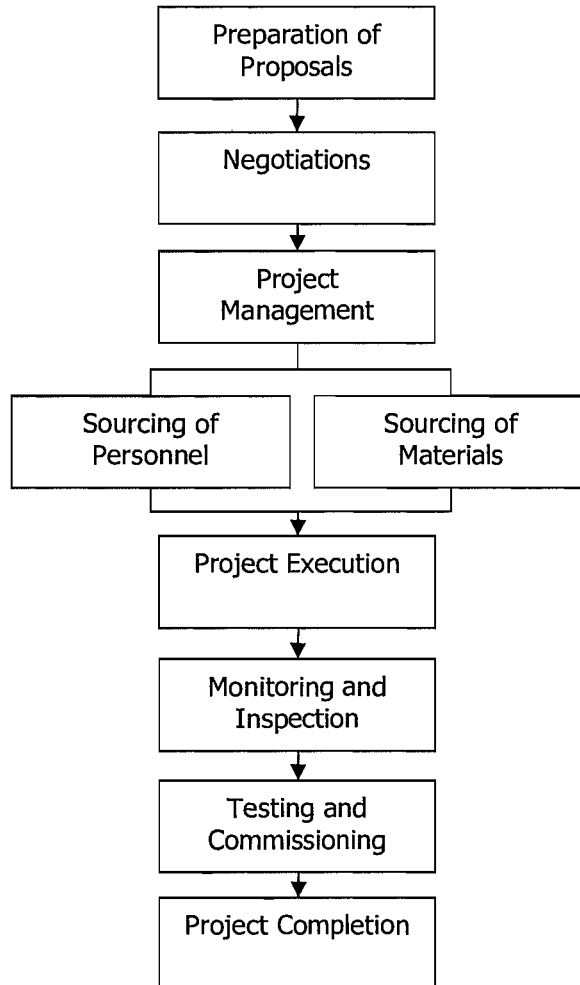
As at the LPD, the number of individuals contracted under our manpower supply services:

| | Length of contract (years) | | | Number of individuals | | | |
|-------------------------------|----------------------------|--|-------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Less than 1 year | More than 1 year but less than 5 years | More than 5 years | Total number of individuals | Percentage of grand total (%) | Number of local individuals | Number of foreign individuals |
| Manpower | | | | | | | |
| - Engineering and exploration | - | 25 | - | 25 | 11.57 | 23 | 2 |
| - Project development | 3 | 6 | - | 9 | 4.17 | 9 | - |
| - Production / operations | 25 | 157 | - | 182 | 84.26 | 160 | 22 |
| TOTAL | 28 | 188 | - | 216 | 100.00 | 192 | 24 |

6. BUSINESS OVERVIEW (Cont'd)

(c) Offshore hook up and commissioning services

The general process flow of our offshore hook up and commissioning services is depicted in the diagram below:



6. BUSINESS OVERVIEW (Cont'd)

Upon the identification of a potential project, an offshore hook up and commissioning team comprising a project manager, discipline engineers, safety engineer, quality assurance engineer and planner is formed. The offshore hook up and commissioning team prepares and submits a proposal document to the customer.

Once the proposal is approved and awarded to us, the project implementation and kick-off process begins with the identification and preparation of personnel and materials such as structures, machineries and equipment that are necessary for the project. These materials are obtained from various sources including our own manufactured products from our minor fabrication yard or procured from the relevant suppliers. As for sourcing of personnel, we have two options, deploying our own team of engineers or appointing a sub-contractor to undertake the engineering project under the supervision of our project manager.

Under the project execution phase, the offshore hook up and commissioning services are performed, delivered and installed on-site at the customer's oil platform. The materials are transformed into operational systems such as oil and gas pipeline systems.

During and after the work is performed, our project manager monitors the work progress and carries out inspections to ensure that the systems are in accordance to the customer's requirements.

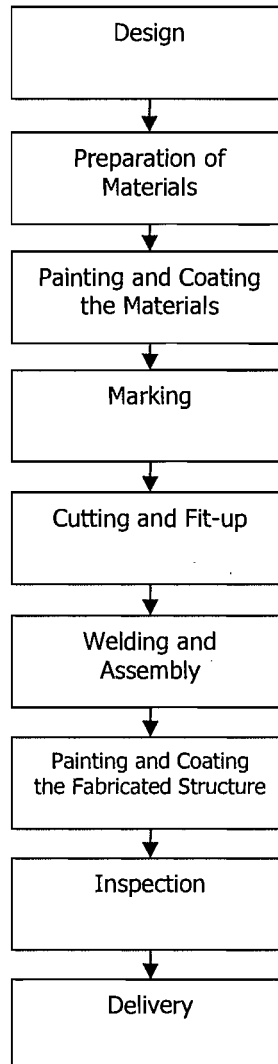
Upon completion of the installation works, the testing and commissioning process is undertaken. This is to identify and rectify any weak points or issues relating to the systems.

Once all the issues and weaknesses of the systems have been rectified, the operational aspects of the systems are handed over to the customer to complete the project.

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6. BUSINESS OVERVIEW (Cont'd)**(d) Minor fabrication services**

The general process flow of our minor fabrication services is depicted in the diagram below:



The process begins with design drawings displaying the physical characteristics of the structure or equipment.

Materials that are necessary for the project such as steel and paint are identified and prepared.

The next phase involves painting and coating the materials, which are undertaken to provide the materials with surface protection and corrosion resistance properties.

These materials are then marked in accordance to the design drawings. The markings are used as a guide for subsequent steps including cutting and welding.

After that, the marked materials are cut and fitted-up. Checks are conducted to ensure that the materials, which have been cut, fit together prior to welding.

6. BUSINESS OVERVIEW (*Cont'd*)

Next, the welding and assembly process is undertaken to join the sub-components together.

Another round of painting and coating is carried out to protect the exposed joints from corrosion.

Finally, the fabricated structures or equipment are inspected prior to delivery to the customer.

6.7 KEY MILESTONES, AWARDS AND RECOGNITION

6.7.1 Key Milestones

The following are some of our Group's key milestones:

| Period | Milestones |
|--------|---|
| 1989 | 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 contract from Petronas Carigali to supply technical professionals. The contract was carried out over a 4-year period. |
| 2000 | Secured a manpower supply services contract to supply drilling professionals from Murphy Oil. |
| 2003 | Diversified our business to provide minor fabrication services for the offshore oil and gas industry. |
| 2004 | Continued to diversify our business, and started to provide production platform system maintenance services. Our first production platform system maintenance service project was for Petronas Carigali, involving topside maintenance for a platform offshore Terengganu. Cipta Pantas and Mokhtar Bin Hashim carried out a management buyout exercise to acquire CSB. Cipta Pantas owned a 51.0% equity stake, and Mokhtar Bin Hashim owned a 49.0% equity stake in CSB at the completion of the exercise. |
| 2005 | Our minor fabrication yard located at Jalan Jakar in Kemaman, Terengganu began to operate. |
| 2006 | Carimin Engineering began business operations. |
| 2007 | Secured our first offshore hook up and commissioning contract, which was from Murphy Oil in Malaysia. |

6. BUSINESS OVERVIEW (Cont'd)

| Period | Milestones |
|---------------|--|
| | We also secured an offshore hook up and commissioning contract from Talisman. |
| 2010 | Secured the Sarawak/Sabah HUC Contract. We 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 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 | Acquired Carimin Marine, which has a 14% investment in SK Offshore, who owns SK Deep Sea, an AWB, to pave way for the provision of offshore marine support vessel services. |
| 2013 | Acquired Carimin Airis Vessel, an AHTS vessel. Secured the Peninsular Malaysia HUC Contract. |
| 2014 | Commissioned to build Carimin Acacia, the AWB. |

6.7.2 Awards and Recognitions

Over the years, we were accorded awards and recognition as summarised in the following table:

| Subsidiary | Award and Recognition | Awarding Body | Year |
|-------------------|--|----------------------|-------------|
| CSB | Certificate of Recognition for excellent safety performance in 2000 | Esso Malaysia | 2000 |
| CSB | Certificate of Recognition for excellent safety performance in 2001 | ExxonMobil | 2001 |
| CSB | Contractor Safety Award for safety excellence in 2002 | ExxonMobil | 2002 |
| CSB | "Safest Subcontractor Award" for the Talisman Malaysia Limited mobile offshore application barge fabrication | Talisman | 2003 |
| CSB | "Gold Award" for safety excellence in | ExxonMobil | 2003/2004 |

6. BUSINESS OVERVIEW (Cont'd)

| Subsidiary | Award and Recognition | Awarding Body | Year |
|------------|--|---------------|------|
| | 2003/2004 | | |
| CSB | "Gold Award" for safety excellence in 2004 | ExxonMobil | 2004 |
| CSB | "Gold Award" for safety excellence in 2005 | ExxonMobil | 2005 |
| CSB | Certificate of appreciation in 2005 for 100,000 hours without Lost Time Injury | Talisman | 2005 |
| CSB | "Gold Award" for safety excellence in 2006 | ExxonMobil | 2006 |

6.8 PRODUCTION OUTPUT, CAPACITY AND UTILISATION

Production output and capacity is not applicable to our business activities as we are primarily engaged in the provision of offshore hook up and commissioning, production platform system maintenance and upgrading services including minor fabrication services. Our other business unit also includes manpower supply and equipment rental services.

As at LPD, our vessels, namely Carimin Airis Vessel and SK Deep Sea were fully deployed.

6.9 RESEARCH AND DEVELOPMENT**6.9.1 Policy on research and development**

We do not carry out research and development ("R&D") as we are primarily involved in providing supporting services to the oil and gas industry.

However, we continuously focus on process improvement as a means of maintaining our competitive advantages and key strengths in the following areas:

- Enhancing business effectiveness, efficiency and productivity to optimise operating costs; and
- Continually improving service quality to ensure customer satisfaction.

We also keep abreast with the developments in technology and know-how in our field while continuing to evaluate the developments that may be useful to our business, and adopt those that can improve our performance in terms of efficiency, productivity, quality or other criteria.

Improving and enhancing of our competitive advantages and key strengths are critical in sustaining long term business growth and success.

6.9.2 R&D facilities and personnel

Currently, our Group does not have dedicated R&D facilities or personnel.

6. BUSINESS OVERVIEW (Cont'd)

6.9.3 R&D expenditure

We did not recognise any expenditure that is specific to R&D activities for the FYE 2011, FYE 2012, FYE 2013 and FYE 2014.

6.10 TECHNOLOGY AND KNOW HOW

Our business activities are based on the application of technology and know-how of our experienced personnel to serve our customers. We adopt a continuous improvement approach to adopt new skills and knowledge. The technologies that are relevant to our Group include the following:

- Corrosion prevention expertise;
- Welding technology;
- Non-destructive testing; and
- Electrical and instrumentation proficiency.

(a) Corrosion prevention expertise

Corrosion prevention methodology is related to the prevention or minimisation of corrosion. Corrosion is particularly serious in a marine environment, where equipment is exposed to the sun, moisture and corrosive salt water.

We have the capability to provide corrosion prevention services utilising the following technologies:

- Material selection

Material selection refers to the practice of selecting materials that are resistant to corrosion in a particular operating environment.

We take into consideration material selection to facilitate our Group's maintenance and fabrication activities, including selection of type of parts such as seamless or welded pipes for the replacement of parts, selection of steel materials for fabrication and modification activities, selection of paint materials for offshore conditions, and other activities.

- Painting and coating

Coating is the act of covering the surface of an object to provide corrosion resistant properties.

Our Group uses the following methods for coating applications:

Brush painting is generally reserved for small touch-up work, or getting into inaccessible places. Some of the difficult accessible areas include crevices, corners, edges, weld lines, bolt heads, nuts and small brackets, which may require minimum dry film thickness application.

6. BUSINESS OVERVIEW (*Cont'd*)

- Air spray is the most common method used in painting topside structures. It consists of a compressed air flow, which carries paint through the hose and out the nozzle. Large surface areas can be quickly and efficiently coated using the air spray method.
- Airless spray, a method in which paint is directly pumped through the hose without any air being mixed in and atomises when striking the surface at high velocity, which enhances adhesion. This is a fast and efficient method, which minimises overspray.

Commonly used coatings include:

- Primer, which is the first coat applied on the steel surface to provide immediate corrosion protection, and to bond the steel to the succeeding overcoats of the anti-corrosive system.
- Anti-corrosive coating is generally used for offshore steel structures. The purpose of anti-corrosive coating is to form a physical barrier isolating the steel from the environment, like water and oxygen.
- Specialised coatings, which include non-skid coatings for decks or walkway to provide secure footing in special areas, and heat-resistant coatings for hot surfaces, such as boilers and steam-powered equipment, as these coatings are flexible enough to survive thermal expansion and contractions, and do not blister at high temperatures.

(b) Welding technology

We utilise welding technology for our fabrication business activity, as well as, maintenance operations during the replacement of corroded and faulty parts and components.

Welding, which is a process that joins metals, is often done by melting the work pieces and adding a filler material to form a pool of molten material that cools to become a strong joint. Sometimes pressure is also used in conjunction with heat, or by itself, to produce the weld.

We currently use arc welding techniques, which is a metal-joining method that applies electrical pressure to create an electric arc between an electrode and metal work piece. The electrical energy is converted to heat which causes the metal work piece to melt at the welding point. The welding region is sometimes protected by an inert or semi-inert gas. Filler materials may be used.

The main arc welding techniques that we apply include:

- Shielded metal arc welding ("SMAW"), which is also known as manual metal arc welding or stick welding.

In SMAW, an electric current is used to strike an arc between the base material and consumable electrode rod. The electrode is commonly made of steel and is covered with a flux that protects the weld area from oxidation and contamination by producing CO₂ gas during the welding process. The electrode acts as filler once it is melted.

6. BUSINESS OVERVIEW (*Cont'd*)

- Gas tungsten arc welding ("GTAW"), which is also known as tungsten inert gas welding, is a manual process that uses a non-consumable electrode made of tungsten, an inert or semi-inert gas mixture, and may utilise a separate filler material.

In GTAW, energy is conducted across the arc through a column of highly ionised gas and metal vapours known as plasma. The use of a filler material is optional.

The molten weld and arc zone are protected from atmospheric contamination by a shielding gas, which is usually, but not always, an inert gas such as argon. GTAW is characterised by a stable arc and high quality welds. This technique is useful for welding thin materials.

(c) Non-destructive testing

Non-destructive testing techniques are used to evaluate the properties of a component or system without causing permanent damage.

We currently utilise a number of non-destructive testing techniques to perform tasks such as inspecting welds and the structural integrity of pipes. These are carried out by our approved vendors.

Non-destructive tests that are used to inspect welds include radiographic (x-ray) weld inspection, ultrasonic weld inspection, and magnetic particle and dye penetration testing. Non-destructive tests that are used to inspect the structural integrity of pipes include x-ray inspection and hydrostatic testing.

Welds are checked using x-ray and ultrasonic weld inspection to ensure that they possess the following qualities:

- The weld is free from foreign-matter inclusion, for example slag;
- Possess adequate penetration;
- The weld is free from distortions; and
- The dimensions of the weld are accurate.

X-ray inspection is used to inspect pipes, which can accurately measure the thickness of the pipe and detect defects such as cracks, pitting and corrosion.

In a hydrostatic pressure test, a length of pipe is sealed and filled with water. The water is then pressurised to the test pressure and the pressure is maintained for a specified period of time. The pipe is monitored for any water leakage, which indicates the presence of defects.

In a dye penetration test, the surface of the weld that is being tested is sprayed with a liquid chemical mixture known as a 'penetrant'. The penetrant is allowed to soak into any flaws that may be present in the surface. After a certain period of time, the surface is wiped clean to remove excess penetrant and a developer is applied to the surface to make the penetrant more visible. The surface is then inspected for any traces of penetrant, the presence of which indicates the existence of a defect.

6. BUSINESS OVERVIEW (*Cont'd*)

(d) Electrical and instrumentation proficiency

Electrical proficiency encompasses the study and application of electricity and electromagnetism. Electrical proficiency is a broad field that encompasses many sub fields, which are centred on electromagnetism.

Instrumentation proficiency is concerned with the accurate measurement of electrical properties. The central issue that is confronted by the field of instrumentation proficiency is that any measurement of an electrical circuit will inevitably change the voltages and current in it. The objective of instrumentation proficiency is to minimise the influence of the measuring circuit, or even to compensate for it.

We apply the principles of electrical and instrumentation proficiency on practical situations such as hook up and commissioning, and maintenance of various types of structures and systems for offshore platforms.

These works are carried out by our approved vendors.

6.11 QUALITY CONTROL PROCEDURES / QUALITY MANAGEMENT PROGRAMMES

6.11.1 Service quality

The ability to provide a consistent level of service quality is an important consideration in the oil and gas industry, where safety standards are stringent. As such, we place significant emphasis on service quality and adopt stringent quality standards and controls within our business operations. This is reflected by our accreditations by following quality management system:

| Companies within our Group | Standard | Activity | Issuing party | Validity period |
|----------------------------|----------------|---|---|--------------------------|
| CSB | ISO 9001:2008* | Provision of manpower supply for oil and gas industry | Bureau Veritas Certification (Malaysia) Sdn Bhd | 8 May 2014 to 8 May 2017 |
| Carimin Engineering | ISO 9001:2008* | Provision of engineering, procurement, construction, hook up and commissioning for oil and gas Industry | Bureau Veritas Certification (Malaysia) Sdn Bhd | 8 May 2014 to 8 May 2017 |

Note:

* Under Department of Standards Malaysia (STANDARDS MALAYSIA) and United Kingdom Accreditation Service (UKAS) accreditation.

Our quality management system accreditations provide our customers with assurance relating to the quality of our services.

6. BUSINESS OVERVIEW (*Cont'd*)

In addition, we have established a quality policy to ensure certain quality standards are adopted and maintained in the provision of our services to customers. Our quality policy encompasses the following:

- Adopting excellence and "kaizen" (business philosophy focusing on continuous improvement) in everything we do;
- Emphasis on customer service to achieve customer satisfaction;
- Strict compliance to applicable standard and regulations for all our activities;
- Optimising costs through maximising productivity;
- Recognition of the total involvement and participation of the entire workforce;
- Adoption of new technologies;
- Enhance staff competencies at all levels; and
- Establishment of quality objectives.

In line with our quality policy, we had set objectives for each of the following departments within our Group:

| Departments | Objectives |
|---------------------------------------|--|
| Human Resources and Administration | - Competency training shall be arranged within 2 months from date of request from the relevant Head of Department. |
| Invoicing and Cost Control Management | - On time submission of invoice (based on work done). |
| Operation | - On time payment of salary to contract personnel. |
| Project | - On time completion of all projects. - Actual cost of project shall not exceed stipulated budget. |
| Quality Assurance/Quality Control | - No major non-compliance report issued by customer for each project. |
| Supply Chain Management | - On time submission of proposals. - On time delivery of purchased material based on material service request. |

Quality assurance controls are implemented in all sections of our operations, and our processes are regularly reviewed for continuous improvement, including:

- Random checking and inspection during the work process to ensure the work performed is based on specifications, including:
 - . Tolerance and defect inspection of welds;
 - . Coating thickness;

6. BUSINESS OVERVIEW (*Cont'd*)

- . Condition of painted or coated surface; and
- . Inspection and handling of special materials;
- Inspection of incoming materials used;
- Quality checks and inspection of any repaired and maintained structures, parts and components are inspected based on specifications; and
- Undertake various tests including hydrostatic pressure testing of pipe works (which is the process of using water under pressure to test the integrity of pipelines), and functional tests on electrical and instrumentation, including electric cables, fittings and equipment.

In addition to these internal quality checks, we also engage external parties to undertake non-destructive testing using radiography and ultrasonic inspections of welds on in-house fabricated structures and piping systems for use on platforms.

As at LPD, we had a team of 15 experienced quality control and assurance personnel to ensure that our service quality meets with the needs and specification of our customers.

6.11.2 HSE

HSE management is an important consideration in the oil and gas industry. Service providers are typically required to maintain a good HSE record, and to comply with industry or customer defined HSE standards.

HSE management is important in providing our production platform system maintenance and upgrading services, where it involves carrying our work in an operational environment where production and process equipment, instrumentation and power are in running condition, and in offshore hook up and commissioning services. We maintain a high standard of worksite safety when carrying out our production platform system maintenance and upgrading services to ensure the safety of our personnel and the production platform. We develop and implement a safety mitigation plan, which includes Hazardous Operations (Hazop) study, risk assessment, job hazard analysis, and safety audits. We manage our work processes to minimise risks and hazards and carry out safety campaigns to raise safety awareness among our personnel. For example, personnel who carry out "hot work" processes such as welding, metal cutting and grinding are properly trained, carefully monitored and managed to minimise the risk of fire and explosion. HSE and quality control and assurance personnel are also involved in on-site execution.

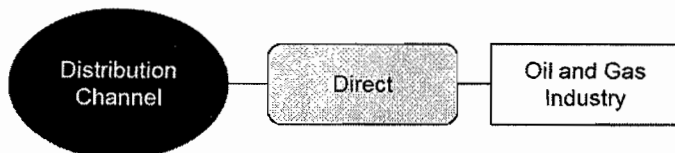
Our internal management system includes detailed documentation relating to HSE management and contingency planning. We have maintained a good HSE record since we began providing maintenance services in 2004 and we have received several awards and recognition from our customers in relation to our safety record. As at LPD, we have not recorded any lost time injury since April 2010.

6. BUSINESS OVERVIEW (*Cont'd*)

6.12 MARKETING STRATEGIES AND DISTRIBUTION NETWORK

6.12.1 Distribution channel strategy

Our distribution channel strategy is depicted in the diagram below:



Our Group primarily adopts a direct distribution strategy for marketing our range of services including offshore hook up and commissioning, maintenance services, marine vessels support, minor fabrication to the oil and gas support industry in Malaysia. Our Group primarily utilises in-house sales and marketing team to market our services.

Our Group maintains operational facilities in major oil and gas industry centres in Malaysia to assist our sales and marketing activities as well as being centrally located in the facilities to support our customers as follows:

- An administrative office in Miri, Sarawak;
- An operational office and minor fabrication yard in Kawasan Industri Telok Kalong, Kemaman; and
- A corporate and operational office in Kuala Lumpur.

Our Group's physical presence in major oil and gas industry centres around the country enables us to quickly and effectively gauge existing and potential customer support and demand and more effectively, conduct sales and marketing and business development activities targeted at these customers

6.12.2 Principal markets

For the FYE 2014, Malaysia was our principal market, which accounted for 96.65% of our revenue.



While we recognised revenue from Myanmar and Mozambique for FYE 2014, the revenue contribution from these countries were relatively minor, at 1.91% and 1.44% of our total revenue respectively.

6. BUSINESS OVERVIEW (Cont'd)

6.12.3 Seasonality

The details on seasonality are set out in Section 12.13 of this Prospectus.

6.12.4 Operating licences

The details of our major approvals and licences are set out in Section 5.6 of this Prospectus.

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6. BUSINESS OVERVIEW (Cont'd)**6.13 MAJOR CUSTOMERS**

The table below lists our Group's customers, which represented 10% or more of our total Group's revenue over the last 4 financial years:

| Customers | Types of services rendered | Approximate length of relationship (years) | 2011 | | 2012 | | 2013 | | 2014 | |
|----------------------|--|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | | | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Total Revenue | | | 158,422 | 100.0 | 368,868 | 100.0 | 325,787 | 100.0 | 245,575 | 100.0 |
| Petronas Carigali | Offshore hook up and commissioning, and production platform system maintenance and upgrading, manpower supply and minor fabrication services | 17 | 26,678 | 16.84 | 256,015 | 69.41 | 216,237 | 66.37 | 146,662 | 59.72 |
| Petrofac | Manpower supply, and offshore hook up and commissioning, and production platform system maintenance and upgrading services | 8 | 2,575 | 1.63 | - | - | 36,977 | 11.35 | 30,406 | 12.38 |
| ExxonMobil | Manpower supply services | 22 | 35,881 | 22.65 | 47,381 | 12.84 | 24,351 | 7.47 | - | - |
| Newfield | Manpower supply services | 6 | 6,461 | 4.08 | 1,205 | 0.33 | 1,174 | 0.36 | 25,917 | 10.55 |
| Total | | | 71,595 | 45.20 | 304,601 | 82.58 | 278,739 | 85.55 | 202,985 | 82.65 |

6. BUSINESS OVERVIEW (Cont'd)

The following factors serve to mitigate our Group's dependency on our major customers:

- Petronas Carigali has been our customer for approximately 17 years, which indicates a stable business relationship.

We are currently undertaking 1 contract to provide offshore hook up and commissioning, and production platform system maintenance and upgrading services for Petronas Carigali. The contract has a duration from May 2013 to May 2018. We also have 3 contracts to provide manpower supply services to Petronas Carigali, with the first contract duration from January 2013 to January 2016, the second contract duration from July 2013 to June 2015 and the third contract duration from July 2013 to June 2016. Our contracts with Petronas Carigali provide assurance that the company will continue to be our customer for the duration of the contracts.

Petronas Carigali is a subsidiary of PETRONAS, which is entrusted with developing and adding value to all the oil and gas resources in Malaysia. As such PETRONAS and its subsidiaries are principal operators in the Malaysian oil and gas industry, and will inevitably be a major source of revenue for our Group and other oil and gas supporting services providers in Malaysia.

- We have been dealing with Petrofac for approximately 8 years, which indicates a stable business relationship with the customer.

Currently, we continue to provide manpower supply services to Petrofac based on a contract which was secured in March 2009. The original validity period of the contract was up to March 2012 and since extended to October 2015.

- Our business relationship with ExxonMobil has been for approximately 22 years, indicating their confidence with our services provided. Revenue contribution from ExxonMobil accounted for less than 10% of our total Group's revenue for FYE 2013. No revenue from ExxonMobil was recorded in FYE 2014 as our contract with ExxonMobil completed.

- Newfield has been our customer for approximately 6 years, which indicates a stable business relationship with the customers.

We are currently undertaking 2 contracts to provide manpower supply services to Newfield based on a contract which was secured in May 2013 and January 2014 and is expected to end in May 2015 and January 2015 respectively.

6. BUSINESS OVERVIEW (Cont'd)

On 13 November 2013, our subsidiary, Carimin Engineering had entered into the Peninsular Malaysia HUC Contract. Our management foresees that the bulk of our future revenue up to 2018 shall be derived from this contract. As such, we are dependent on this contract. The salient details of this contract are as follows:

- (i) The duration of the contract takes effect from 21 May 2013 and expires on 20 May 2018.
- (ii) The scope of works comprises onshore preparation works, onshore pre-fabrication and yard commissioning (if any), and onshore and offshore hook up, preservation, inspection, testing, pre-commissioning and commissioning of all systems, related appurtenance and equipment of the platform. The scope of works includes all works necessary to put into initial safe operation all systems and equipment of the platform facilities. Carimin Engineering shall furnish all materials, construction tools and equipment, utilities supplies, temporary structures, consumables, labour, supervision, marine vessels, transportation and other works and services necessary except for those items explicitly stated otherwise in the contract documents to be supplied by Petronas Carigali. Carimin Engineering shall expeditiously perform and complete the offshore hook-up, inspection, testing, pre-commissioning and commissioning of the facilities in accordance with the contract documents including Petronas Carigali approved procedures and manufacturer recommended testing and commissioning procedures.
- (iii) Carimin Engineering shall provide project services the direction of Petronas Carigali for the completion of the works. The project services comprise of onshore and offshore project services namely, project execution plan, worksourcing, jobcard preparation, workbook compilation, activity networking/scheduling, material take-off, material procurement, quality assurance/quality control procedures, job hazard analysis, onshore pre-fabrication, yard pre-commissioning, shiploose materials verification, onshore hook-up and commissioning, commissioning procedure/manual, handover and acceptance manual, final documentation, as-builtting, project close-out report, site specific procedure for simultaneous operations, minor engineering, storage, provision of marine spread, provision of workboat spread, provision of personnel, tools and equipment, work supervision, resource planning, scheduling and control, offshore hook-up and commissioning, provision of specialist (third-party) services, material planning and control, red-line marking and topside major maintenance activities.
- (iv) The contract may be terminated by Petronas Carigali at any time without cause by giving 30 days prior written notice to Carimin Engineering that Petronas Carigali intends to terminate the contract, specifying the contract to be terminated and the effective date of termination.
- (v) If Carimin Engineering defaults Petronas Carigali shall forthwith terminate the contract by giving 30 days written notice to Carimin Engineering specifying the contract to be terminated and the effective date of termination.
- (vi) This contract is non-exclusive and Petronas Carigali reserves the right to engage other contractors to perform similar or identical scope of work and/or supply similar or identical goods at any time during the duration of this contract.

6. BUSINESS OVERVIEW (Cont'd)**6.14 MAJOR SUPPLIERS****6.14.1 Types, sources and availability of inputs**

Our Group's purchases of materials and services for FYE 2014 are as follows:

| Type of materials and services | Value of purchases RM'000 | % of total Group purchases | Local % | Import % |
|--|------------------------------|----------------------------------|--------------|-------------|
| Ship chartering services | 71,890 | 44.67 | 100.0 | - |
| Sub-contracted services | 66,526 | 41.34 | 100.0 | - |
| - <i>Manpower supply services</i> | 66,526 | 41.34 | 100.0 | - |
| - <i>Fabrication services</i> | - | - | - | - |
| General tools and compressed gases ⁽¹⁾ | 17,528 | 10.89 | 100.0 | - |
| Equipment rental ⁽²⁾ | 2,717 | 1.69 | 100.0 | - |
| Welding equipment and other consumables ⁽³⁾ | 2,201 | 1.37 | 100.0 | - |
| Repair and maintenance of equipment and machinery | 72 | 0.04 | 100.0 | - |
| Total | 160,934 | 100.00 | 100.0 | - |

Notes:

The purchase of materials and services for FYE 2014 amounted to RM160.93 million.

- (1) Includes dust masks, chain blocks, compressed argon and oxygen gas.
(2) Includes rental of cargo baskets, scaffolding and air compressors.
(3) Includes tungsten inert gas, welding electrodes, cables, paint, wood, gloves, flanges, valves, tape, rope, steel, gaskets and hammers.

6. BUSINESS OVERVIEW (Cont'd)

For FYE 2014, our total purchase of materials and services amounted to RM160.93 million. All of our purchases were from local suppliers during the FYE 2014.

Purchases of ship chartering services totalled RM71.89 million accounted for the largest portion of our purchases amounted to 44.67% of our total purchases for FYE 2014.

Our purchases of sub-contracted services amounted to RM66.53 million during FYE 2014, which accounted for 41.34% of our total purchases was for manpower supply services.

General tools and compressed gases accounted for RM17.53 million or 10.89% of total purchases for FYE 2014. The general tools and consumables that we purchased included dust masks, chain blocks, and compressed argon and oxygen gas.

Equipment rental, which included the rental of cargo baskets, scaffolding and air compressors, accounted for RM2.72 million or 1.69% of our Group's total purchases.

Welding equipment and consumables, which included tungsten inert gas, welding electrodes, cables, paint, wood, gloves, flanges, valves, tape, rope, steel, gaskets and hammers, accounted for RM2.20 million or 1.37% of our total purchases for FYE 2014.

Our purchases of repair and maintenance services for machinery and equipment amounted to approximately RM72,000 during FYE 2014, which accounted for 0.04% of our total purchases.

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6. BUSINESS OVERVIEW (Cont'd)**6.14.2 Major suppliers**

Our Group's major suppliers for each of the past 4 FYE 2011 to 2014 are as follows:-

| Suppliers | Types of products/services supplied | Approximate length of relationship (years) | FYE | | | | 2014 RM'000 | % |
|------------------------|-------------------------------------|--|----------------|----------------|----------------|----------------|----------------|--------------|
| | | | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | | |
| Total purchases | | | 74,448 | 273,201 | 219,780 | 160,934 | 100.0 | 100.0 |
| Saujana Marine Sdn Bhd | Ship chartering service | 3 | - | - | 34,268 | 11,707 | 15.59 | 7.27 |
| SK Offshore | Ship chartering services | 2 | - | - | - | 22,096 | - | 13.73 |
| Kejuruteraan Sdn Bhd | Fabrication services | 4 | 10,865 | 8,533 | - | - | 3.12 | - |
| Total | | | 10,865 | 8,533 | 34,268 | 33,803 | 15.59 | 21.00 |

Saujana Marine Sdn Bhd accounted for 15.59% and 7.27% of our Group's total purchases in FYE 2013 and FYE 2014 respectively while Kejuruteraan Multitask Sdn Bhd accounted for 14.59% of our Group's total purchases in FYE 2011. Saujana Marine Sdn Bhd is one of our suppliers of ship chartering services while Kejuruteraan Multitask Sdn Bhd is one of our sub-contractors for fabrication works. SK Offshore accounted for 13.73% of our Group's total purchases in FYE 2014.

Our dependency on Saujana Marine Sdn Bhd is mitigated as we can engage the services of other ship charterers, if required. In addition, we are the owner of Carimin Airis Vessel, an AHTS vessel, and have an investment in a company, SK Offshore, which owns SK Deep Sea, an AWB. Our ability to control the vessel deployment of Carimin Airis Vessel, SK Deep Sea and a proposed new purchase AWB vessel provides some mitigation against our dependency on Saujana Marine Sdn Bhd. For FYE 2014, total charter fees paid to SK Offshore was RM22.1 million.

As for Kejuruteraan Multitask Sdn Bhd, purchases from this sub-contractor for fabrication works did not account for more than 10.0% of our total purchases during FYE 2012 and we did not record any purchases from this supplier during FYE 2013 and FYE 2014.

6. BUSINESS OVERVIEW (Cont'd)**6.15 OPERATIONAL FACILITIES**

Our operational facilities are located in the following locations in Malaysia:

| Companies within our Group | Main functions | Approximate built-up area (sq ft) | Location of facilities |
|---|------------------------------|--|--|
| Kuala Lumpur | | | |
| CSB | Corporate head office | 18,083 | B-1-4 to B-1-8 and B-7-6, Megan Avenue 1, 189, Jalan Tun Razak 50400 Kuala Lumpur |
| Carimin Engineering | | | |
| Terengganu | | | |
| CSB | Branch office | 1,575 | K-11270, 2nd Floor Taman Chukai Utama 24000 Kemaman Terengganu |
| Carimin Engineering | | | |
| Carimin Engineering, Carimin Equipment Management | Minor fabrication | 16,920 | Lot 3691, Kawasan Industri Telok Kalong 24007 Kemaman Terengganu |
| Sarawak | | | |
| CSB | Branch office | 1,649 | Lot 888, 2nd Floor Jalan Permaisuri Miri Waterfront 98000 Miri Sarawak |
| Labuan | | | |
| Carimin Engineering, Carimin Equipment Management | Office and storage warehouse | 4,222 | Lot 58, Block H Ranche-Ranche Industrial Warehouse Centre Jalan Ranche-Ranche 87000 Labuan |

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6. BUSINESS OVERVIEW (Cont'd)**6.16 EMPLOYEES AND TRAINING**

We place great emphasis on providing a conducive working environment for our employees; ensuring skills development across our Group and identifying employee performance improvement opportunities for career advancement.

6.16.1 Employees

| Category of employees | Length of service (years) | | | Number of employees | | | |
|------------------------|---------------------------|--|-------------------|---------------------------|-------------------------------|---------------------------|-----------------------------|
| | Less than 1 year | More than 1 year but less than 5 years | More than 5 years | Total number of employees | Percentage of grand total (%) | Number of local employees | Number of foreign employees |
| Directors of CPB | - | - | 2 | 2 | 0.85 | 2 | - |
| Management | 1 | 4 | 5 | 10 | 4.28 | 10 | - |
| Professional/Executive | 10 | 30 | 15 | 55 | 23.50 | 54 | 1 |
| Clerical/Non-Executive | 6 | 38 | - | 44 | 18.80 | 44 | - |
| General Workers | 46 | 77 | - | 123 | 52.57 | 123 | - |
| TOTAL | 63 | 149 | 22 | 234 | 100.00 | 233 | 1 |

Our Group's employees are not represented by any union and our management enjoys a cordial relationship with our employees. We have not been engaged in any industrial disputes since our inception.

We build our operational effectiveness by providing our employees training, resources and necessary equipment to enable them to deliver good performance. We provide a working environment for employees in our Group with emphasis on good moral values and ethical behaviour.

Our Group places high priority on ensuring that there is continuity in our Group's management team so as to ensure continuity and to maintain our level of competitiveness in the industry. To achieve this, it is the policy of our Group to groom new management staff to gradually assume the responsibilities of senior management and also as part of our employees' career advancement programme. Our Group's strategy for management continuity is driven by our top management who is responsible in identifying key competencies and requirements of candidates.

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6. BUSINESS OVERVIEW (Cont'd)**Employee segmentation by job functions**

Our employee segmentation by job functions as at FYE 2011, FYE 2012, FYE 2013, and FYE 2014 and LPD are as follows:

| Job function | Number of permanent employees | | | | |
|-----------------------------|-------------------------------|-----------|-----------|-----------|-----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 | LPD |
| Managerial and professional | 42 | 32 | 32 | 29 | 35 |
| Technical personnel | 8 | 8 | 9 | 5 | 5 |
| - <i>Engineers</i> | 3 | 3 | 9 | 5 | 5 |
| - <i>Technicians</i> | 5 | 5 | - | - | - |
| Clerical and administrative | 21 | 30 | 35 | 20 | 22 |
| Total | 71 | 70 | 76 | 54 | 62 |

| Job function | Number of contractual employees | | | | |
|--|---------------------------------|------------|------------|------------|------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 | LPD |
| Managerial and professional | 12 | 25 | 21 | 30 | 20 |
| Technical personnel | 48 | 32 | 26 | 8 | 7 |
| - <i>Engineers</i> | 22 | 13 | 9 | 6 | 7 |
| - <i>Technicians</i> | 24 | 18 | 17 | 2 | - |
| - <i>Other technical personnel⁽¹⁾</i> | 2 | 1 | - | - | - |
| Clerical and administrative | 13 | 14 | 15 | 11 | 19 |
| Fabrication Yard Workers | 23 | 9 | 7 | 8 | 9 |
| - <i>Skilled workers⁽²⁾</i> | 11 | 7 | 7 | 3 | 3 |
| - <i>Semi-skilled workers⁽³⁾</i> | 12 | 2 | - | 5 | 6 |
| Offshore Platform Workers | 249 | 162 | 135 | 116 | 117 |
| - <i>Skilled workers⁽⁴⁾</i> | 50 | 70 | 76 | 42 | 41 |
| - <i>Semi-skilled workers⁽⁵⁾</i> | 45 | 12 | 52 | 50 | 45 |
| - <i>Unskilled workers⁽⁶⁾</i> | 154 | 80 | 7 | 24 | 31 |
| Total | 345 | 242 | 204 | 173 | 172 |

Notes:

- (1) *Comprise operation team leader and procurement analyst.*
- (2) *Include quality assurance and control inspectors, welders and planners.*
- (3) *Include painters and store personnel.*
- (4) *Include electricians, electrical and instrumentation technicians and safety officers.*
- (5) *Include fitters and painters.*
- (6) *Comprise riggers and fire watchers.*

6. BUSINESS OVERVIEW (Cont'd)**6.16.2 Training and development**

Below is a list of some programmes attended by our employees since 2011.

| Training dates | Training | Organiser |
|-----------------------|---|--|
| March 2011 | Internal Audit ISO | NYB Technology Resources Sdn Bhd |
| March 2011 | Emergency Breathing System (EBS) | Construction And Industrial Safety Training Centre Sdn Bhd |
| March 2011 | Malaysia Basic Offshore Safety & Emergency Training (M-BOSET) | Terengganu Safety Training Centre Sdn Bhd |
| April 2011 | Huet Complete with EBS | Construction And Industrial Safety Training Centre Sdn Bhd |
| April 2011 | Seminar' World Day For Safety And Health At Work' | National Institute of Occupational Safety & Health |
| June 2011 | Basic Offshore Safety Induction & Emergency Training (BOSIET) with EBS | Sequ Offshore Safety Sdn Bhd |
| June 2011 | Petronas Carigali Permit To Work (PTW) Training | Construction And Industrial Safety Training Centre Sdn Bhd |
| June 2011 | Petronas Carigali PTW Training | Construction And Industrial Safety Training Centre Sdn Bhd |
| June 2011 | Petronas Carigali PTW Training | Construction And Industrial Safety Training Centre Sdn Bhd |
| July 2011 | Professional Communication And Interpersonal Skills | Malaysian Employers Federation (MEF) Academy |
| August 2011 | BOSIET with EBS | Sequ Offshore Safety Sdn Bhd |
| October 2011 | Forklift Safety & Material Handling Equipment Operation Training | UMW Industries (1985) Sdn Bhd |
| December 2011 | Safe Operating Practices for Overhead Crane | Shimba Sdn Bhd |
| March 2012 | ISO 9001:2008 Awareness | Malaysian Employers Federation (MEF) Academy |
| September 2012 | Hands-on Training For PETRONAS Supply Chain Management System | PETRONAS |
| November 2012 | Fundamentals of Oil and Gas Offshore Hook up Construction and Commissioning | Dream Catcher Consulting Sdn Bhd |
| March/May 2013 | Primavera 6 Training | Enterprise Business Solution Sdn Bhd |
| March 2013 | Project Planning and Control | Enterprise Business Solution Sdn Bhd |
| July 2013 | Technical Report Writing | Tactics Asia |
| December 2013 | Office Fire Fighting and Emergency First Aid Training | Jabatan Pertahanan Awam Malaysia |
| February 2014 | Permit-to-work training | PETRONAS |
| March 2014 | Medical training | Academy of Occupational & Medicine Environment Malaysia |
| April 2014 | Internal Audit ISO | NYB Technology Resources Sdn Bhd |
| May 2014 | Self-service system portal training | PETRONAS |
| May 2014 | Fire watcher/basic rigging and slinging | Terengganu Safety Training Centre |
| June 2014 | Hydrogen sulphide H2S safety | Sequ Offshore Safety Sdn Bhd |

6. BUSINESS OVERVIEW (Cont'd)

6.17 FUTURE PLANS AND PROSPECTS

6.17.1 Future plans

Our future plans are as follows:

(a) Implementation of Peninsular Malaysia HUC Contract

On 13 November 2013, we secured a contract from Petronas Carigali to provide offshore hook up and commissioning, production platform system maintenance and upgrading services for production platforms located offshore peninsular Malaysia.

The contract's scope of work includes the following:

- Infill drilling;
- Major facilities upgrading;
- Production platform modification;
- Host tie-in; and
- Pipeline replacement.

The duration of contract is until 2018 and work has commenced in 2014. We will utilise internally generated funds and bank borrowings to finance this project.

(b) Purchase of vessel

Our Group had entered into a Memorandum of Agreement to purchase an AWB (which is scheduled for delivery in June 2015) to support our existing business activities. The purchase of vessel will enable us to increase the level of in-house support that we are able to provide for our offshore hook up and commissioning, and production platform system maintenance and upgrading services by transporting our manpower resources, equipment and material to our customers' offshore work sites, and providing on-site accommodation. This will reduce the need to charter this type of vessels from third-parties.

In addition, we will be able to provide marine services, including vessel chartering, to external customers.

As at the LPD, the Company has paid RM2.48 million as deposit. The balance shall be paid via proceeds from the Listing of RM35.32 million and via bank financing of RM57.20 million.

(c) Development of existing minor fabrication yard at Kawasan Industri Telok Kalong and expansion of existing equipment rental services

Currently, our minor fabrication yard is located at the Kawasan Industri Telok Kalong in Kemaman, Terengganu.

In November 2013, we secured a contract from Petronas Carigali for the provision of hook up and commissioning and topside major maintenance services in peninsular Malaysia. As a result, we expect that moving forward most of our operations will be concentrated in the oilfield areas offshore peninsular Malaysia, which we will support from Kemaman, Terengganu.

6. BUSINESS OVERVIEW (Cont'd)

We plan to develop our fabrication yard at the Kawasan Industri Telok Kalong, Kemaman, Terengganu by constructing new facilities, including an abrasive blasting chamber, a laydown area, an open workshop and an office building.

The yard development will allow the incorporation of an abrasive blasting chamber to carry out abrasive blasting, which is a technique of cleaning hard surfaces using compressed air to propel solid abrasive particles, such as sand or garnet, at high speed across the surface.

Additionally there are planned purchases for new equipment and upgrades to equip this minor fabrication yard, including welding equipment and air compressors which are in conjunction with our plan to expand our existing equipment rental services. Equipment such as welding equipment and air compressors when not utilised by our Group will be rented to customers such as offshore support vessels that call on the Kemaman Marine Supply Base, Terengganu.

In addition, work to expand our existing equipment rental services has commenced in 2nd quarter of 2014 with the new equipment being purchased for our minor fabrication yard at Kawasan Industri Telok Kalong, Kemaman, Terengganu. We are currently using internally generated funds and shall utilise funds from our IPO proceeds to purchase the new equipment.

We expect the development of our minor fabrication yard to commence once we received funds from our IPO proceeds.

(d) Provision of marine services to external customers

We are the owner of Carimin Airis Vessel, an AHTS vessel, and we have a joint venture company that is the owner of SK Deep Sea, an AWB. As at LPD, these vessels were utilised to support our Group in the provision of our offshore hook up and commissioning, production platform system maintenance and upgrading services.

As part of our future plans, we intend to provide marine services to external customers. The provision of marine services to external customers will allow us to diversify our business, as well as our customer and revenue base.

The marine services that we provide may be based on one or a combination of the following arrangements:

- Time charter, where we are responsible for providing the vessel and its crew, and we operate the vessel under the charterer's commands; and
- Bareboat charter, where we provide the vessel, while the charterer is responsible for providing the crew.

We intend to begin providing marine services to external customers by 2015 by utilising Carimin Airis, SK Deep Sea, and/or vessels that we purchase in the future.

6. BUSINESS OVERVIEW (Cont'd)**(e) Milestones**

The following table indicates the timing for implementation of our future plans:

Future Plans Milestone

| | YEAR | | | | |
|---|------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Development of existing minor fabrication yard at Kawasan Industri Telok Kalong | √ | √ | | | |
| Purchase of vessel* | √ | √ | | | |
| Provision of marine services to external customers | | √ | √ | √ | √ |
| Implementation of Peninsular Malaysia HUC Contract | √ | √ | √ | √ | √ |
| Expansion of existing equipment rental services | √ | √ | √ | √ | √ |

Note:

* *The delivery of the vessel, Carimin Acacia is schedule to be in June 2015.*

6.17.2 Prospects of our Group

The prospects of our Group are dependent on the following factors:

- Competitive advantages and key strengths;
- Future plans to provide sustainable growth; and
- Industry outlook.

(a) Competitive advantages and key strengths

Our competitive advantages and key strengths will provide a platform for continuing growth and success. These include the following:

- Access to skilled human resources;
- PETRONAS licences;
- Long term contracts;
- In-house minor fabrication facilities;
- Track record;
- Ownership of a vessel and investment in a vessel owner; and
- In-house quality assurance.

6. BUSINESS OVERVIEW (Cont'd)**(b) Future plans to provide sustainable growth**

We have in place a sound business and expansion plan moving forward, which are focused in the following areas:

- Implementation of Peninsular Malaysia HUC Contract, an offshore hook up and commissioning, and topside major maintenance services contract secured from Petronas Carigali. The services are to be provided for production platforms offshore peninsular Malaysia, and the contract duration is up to 2018;
- Purchase of an AWB (scheduled for delivery in June 2015) to support our in-house operations, and to provide marine services to external customers. Together with our existing vessels, the new vessel will reduce the need to charter this type of vessel from third-parties, and will enable us to provide marine services to third-parties;
- Development of our existing minor fabrication yard in Kawasan Industri Telok Kalong, Kemaman, Terengganu and expansion of our equipment rental business, which will allow us to diversify our customer and revenue base; and
- Provision of marine services to third-parties utilising our existing vessels and vessel that we purchase in the future. The provision of marine services to external customers will allow us to diversify business, as well as our customer and revenue base.

Our future plans would provide us with the platform to grow and sustain our business.

(c) Industry prospects and outlook

The outlook of the oil and gas supporting services industry is dependent on the following factors:

- Performance of the oil and gas industry;
- Economic conditions;
- Development of marginal oil fields; and
- Market price of hydrocarbons.

The performance of the oil and gas industry in recent years was as follows:

Average Annual Growth Rate ("AAGR") of Selected Oil and Gas Industry Indicators

| | AAGR (%) |
|--|---------------------|
| Oil and Gas Fields in Operation ⁽¹⁾ | 8.3 |
| PSC in Operation ⁽¹⁾ | 7.0 |
| Total Investment in Upstream Activities ⁽¹⁾ | 4.9 |
| Average Production of Oil and Gas ⁽¹⁾ | # |
| Oil and Gas Reserves ⁽²⁾ | 2.5 |

Notes: # Less than 0.1%; (1) AAGR is between 31 March 2007 and 31 March 2011; (2) AAGR is between 1 January 2009 and 1 January 2013.

(Source: Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd)

7. INDUSTRY OVERVIEW



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The Board of Directors
Carimin Petroleum Berhad
Unit B-1-6, Megan Avenue 1
189 Jalan Tun Razak
50400 Kuala Lumpur

Dear Sirs and Madam

Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia

The following is an Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd for inclusion in the prospectus of Carimin Petroleum Berhad (herein together with all or any one or more of its subsidiaries will be referred to as “**Carimin Petroleum Group**” or the “**Group**”) in relation to its proposed listing on the Main Market of Bursa Malaysia Securities Berhad.

1. BACKGROUND AND INTRODUCTION

- Carimin Petroleum Group is engaged in the provision of oil and gas supporting services focusing on the following activities:
 - Offshore hook up and commissioning, and production platform system maintenance and upgrading services. The Group usually carries out offshore hook up and commissioning on production platforms typically involving the final installation, testing and commissioning of the facilities’ structures, machinery and equipment. The Group also provides production platform system maintenance and upgrading services where the Group rectifies faults that affect production platform systems, and increase the capability of production platforms;
 - Manpower supply services, where the Group assists its customers in sourcing suitable personnel to fulfil specified functions;
 - Minor fabrication services, where the Group produces piping systems, skids and other minor steel structures for its external customers and to support its offshore hook up and commissioning, and production platform system maintenance and upgrading service business.

7. INDUSTRY OVERVIEW (Cont'd)



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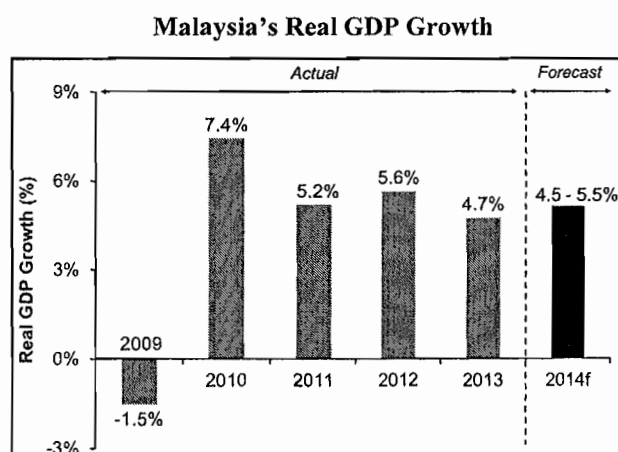
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- Carimin Petroleum Group's business activities are focused on the upstream segment of the Oil and Gas Industry. The Group's offshore hook-up and commissioning, and production platform system maintenance and upgrading services, and minor fabrication services serve the development and production segments, while the Group's manpower supply services serve the exploration, development and production segments.
- As the Group primarily provides supporting services to other operators in the upstream segment of the Oil and Gas Industry, this report shall focus on the Oil and Gas Supporting Services Industry. In terms of geographic focus this report focuses on Malaysia, which is the Group's main market.
- Within the context of this report, the term "oil and gas" is used interchangeably with "hydrocarbons".

2. MACROECONOMIC INDICATORS

2.1 Key Macroeconomic Indicators for Malaysia

- In general, a favourable macroeconomic environment provides a conducive platform to sustain businesses as well as provide opportunities for growth.
- Overall, Malaysia's key economic indicators in terms of real GDP grew at an average annual growth rate (AAGR) of 5.7% between 2009 and 2013. An exception to the growth during this period was in 2009, when the economy contracted by 1.5% amidst the slowdown in the global economy.
- In 2013, the Malaysian economy grew at 4.7% driven by continued strong growth in domestic demand, underpinned by robust private sector activity. Private consumption was supported mainly by favourable employment conditions and wage growth while private investment was supported by capital spending in the mining, services and manufacturing sectors.



f = Forecast

(Source: Bank Negara Malaysia)

7. INDUSTRY OVERVIEW (Cont'd)

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- During the first quarter of 2014, the Malaysian economy grew by 6.2% where growth was fuelled by stronger expansion in domestic demand as well as turnaround in net exports. Net exports recorded growth as exports of goods and services outpaced the growth of imports.
- Additionally, in the second quarter of 2014, the Malaysian economy registered a stronger growth of 6.4% supported by higher exports and continued strength in private domestic demand. Real exports of goods and services grew at a faster pace while growth of real imports of goods and services moderated, resulting to a significant improvement in net exports. Furthermore, positive growth from construction, manufacturing, services, agricultural and mining sectors attributed to the growth in the second quarter of 2014.
- With strong growth evident in the first half of 2014, Bank Negara Malaysia (BNM) expects the Malaysian economy to exceed the earlier projection of 4.5% to 5.5% for the full year of 2014. Nevertheless, BNM also expects growth in the second half of 2014 to moderate slightly compared to the previous first half of 2014. The growth in the second half of 2014 will likely be supported by private sector activity and exports growth however at a more moderate pace.

3. INDUSTRY OVERVIEW**3.1 The Oil and Gas Industry in Malaysia**

- Petroliaam Nasional Berhad (PETRONAS), the national petroleum corporation, is the primary regulator and licensing body for the Oil and Gas Industry in Malaysia. It is responsible for managing the industry's long-term development.
- The majority of the upstream exploration, development and production activities of the Oil and Gas Industry in Malaysia are carried out offshore. Historically, activities have been focused in shallow waters (informally defined as water depth of less than 200 metres) offshore of the East Coast of Peninsular Malaysia, Sabah and Sarawak.
- Deepwater areas are becoming increasingly important and are expected to drive future growth and development of the Malaysian Oil and Gas Industry. PETRONAS has also implemented measures to promote marginal oil field development in Malaysia.
- The Oil and Gas Industry plays a significant role in the growth and development of the Malaysian economy, contributing in terms of producing oil and gas and as a major generator of export earnings.

7. INDUSTRY OVERVIEW (Cont'd)

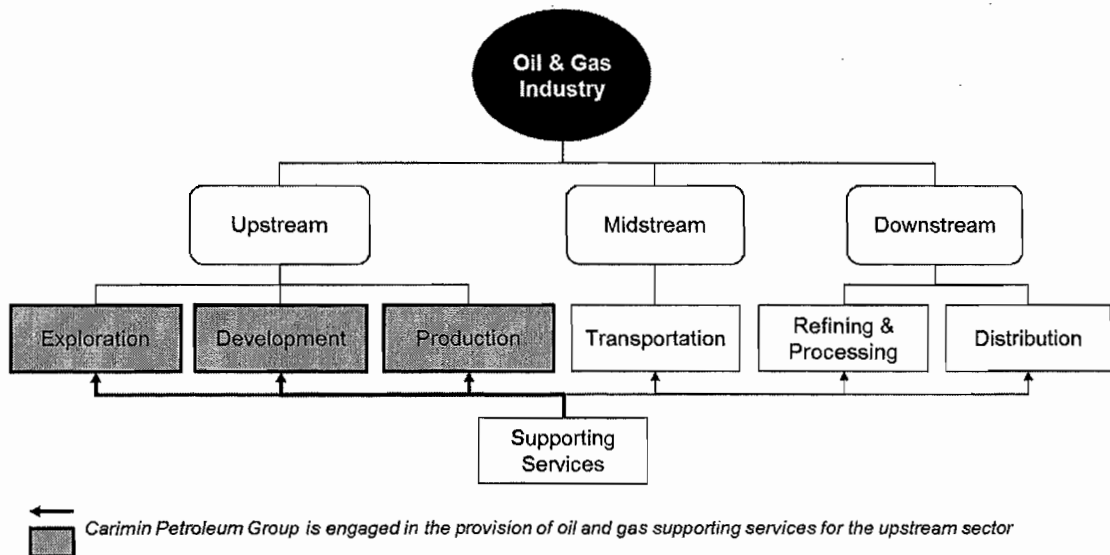


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3.2 Overall Oil and Gas Industry

- The Oil and Gas Supporting Services Industry is part of the overall Oil and Gas Industry, which is depicted in the diagram below:

Structure of the Oil and Gas Industry



- In general, the overall Oil and Gas Industry may be segmented into the upstream, midstream and downstream sectors.
- Carimin Petroleum Group's business is focused on the upstream sector of the Oil and Gas Industry. The **Upstream** sector comprises the exploration, development and production segments:
 - **Exploration** activities are those that are related to investigating a specific area to determine if there are hydrocarbon deposits in that area, and to quantify the potential characteristics and size of these deposits. Exploration activities include collecting and interpreting seismic survey data, geoscience and petroleum engineering, drilling exploratory wells, core and fluid sample analysis. Exploration activities also include appraisal, which is concerned with determining the economic and technical viability of discovered hydrocarbon deposits. Deposits that are deemed to be viable are usually described as reserves.

7. INDUSTRY OVERVIEW (Cont'd)


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- **Development** refers to activities that are undertaken to bring an economically viable but previously untapped hydrocarbon reserve into production, and to activities undertaken to significantly expand production capacity at an existing production facility. Development activities include development well drilling, and engineering, designing, fabricating, installing and commissioning production facilities.
- **Production** activities are those that are related to extracting hydrocarbons from identified and developed hydrocarbon reserves. Production activities include operating production facilities, field management and field planning.
- The **Midstream** sector comprises the transportation segment:
 - **Transportation** activities are related to the transportation of extracted hydrocarbons from production facilities to storage, refining and processing facilities. Transportation includes the operation of onshore and offshore hydrocarbon pipelines, and the operation of hydrocarbon transport vessels and vehicles.
- The **Downstream** sector comprises the refining and processing, and distribution segments:
 - **Refining and processing** comprises activities that are related to processing extracted hydrocarbons into forms and products that can be used by intermediate and final users. Refining crude petroleum primarily involves fractional distillation to separate the different petroleum fractions that make up crude petroleum. Natural gas processing primarily involves the purification and liquefaction of natural gas to facilitate storage, transport and usage.
 - **Distribution** comprises activities that are related to the transportation and distribution of refined and treated hydrocarbons to end-users. Distribution activities include the operation of tankers, domestic gas networks, and retail outlets such as petrol stations.
- Supporting services comprise a diverse range of services that facilitate operations in the exploration, development, production, transportation, refining and processing, and distribution segments. Examples of supporting services include, among others:
 - **Exploration:** Chartering and operating ships, and supplying manpower.

7. INDUSTRY OVERVIEW (Cont'd)


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- Development: Chartering and operating drilling rigs, workover rigs and ships, hook up and commissioning, engineering and fabricating facilities, and supplying manpower.
 - Production: Maintaining and upgrading production platforms, chartering and operating ships, hook up and commissioning, engineering and fabricating facilities, and supplying manpower.
 - Transportation: Maintaining hydrocarbon pipelines and storage facilities, chartering and operating transportation vessels, and supplying manpower.
 - Refining and processing: Engineering and fabricating facilities, maintaining refining and processing facilities, and supplying manpower.
 - Distribution: Chartering and operating ships, maintaining domestic gas networks; providing logistics services, and supplying manpower.
- Carimin Petroleum Group is primarily involved in the provision of the following oil and gas supporting services to other operators in the upstream sector:
 - Offshore hook up and commissioning, and production platform system maintenance and upgrading, which supports operators in the development and production segments;
 - Manpower supply to operators in the exploration, development and production segments;
 - Minor fabrication, which supports operators in the development and production segments.

3.3 Hook Up and Commissioning

- Carimin Petroleum Group is engaged in providing offshore hook-up and commissioning services, which is part of offshore construction activities segment within the upstream sector of the Oil and Gas Industry.
- Once a structure, such as an offshore oil and gas platform, is established at the desired location, and all the required equipment, machinery and other systems are on the structure, these equipment, machinery and other systems will be required to be interconnected or **hooked up**, such that they work together effectively, efficiently and safely. Once they are hooked-up, they will need to be **commissioned**, which entails inspection and testing, and ensuring that all the equipment, machinery and systems are operating effectively, efficiently and safely on the structure.

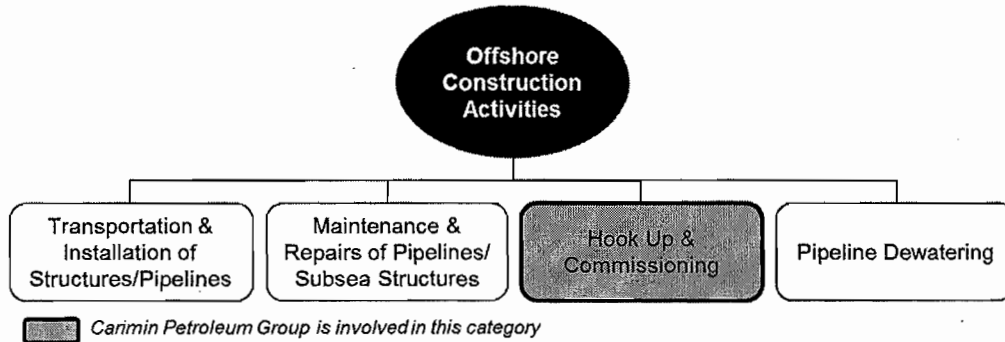
7. INDUSTRY OVERVIEW (Cont'd)



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- Offshore construction activities undertaken in Malaysia are depicted as follows:



- There are four main categories of offshore construction activities undertaken in Malaysia's Oil and Gas Industry:
 - Transportation and installation of structures/pipelines;
 - Maintenance and repairs of pipelines/subsea structures;
 - Hook up and commissioning;
 - Pipeline dewatering.
- One of Carimin Petroleum Group's business activities is the provision of offshore hook up and commissioning services.

3.4 Production Platform System Maintenance

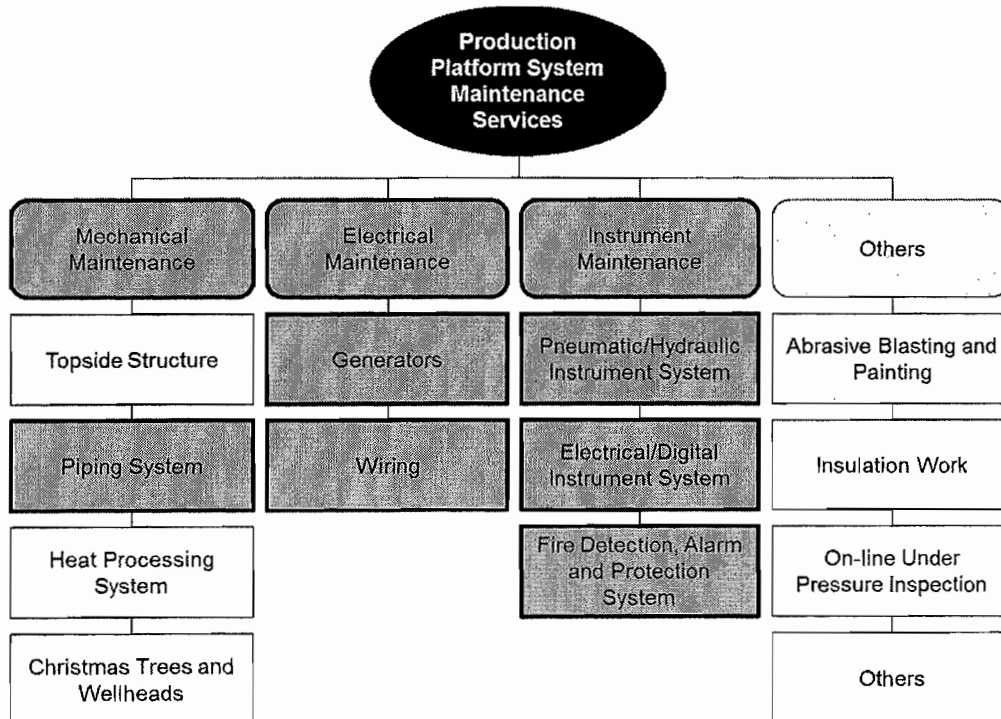
- One of Carimin Petroleum Group's business activities is the provision of production platform system maintenance and upgrading services to operators in the upstream sector of the Oil and Gas Industry.
- Production platform system maintenance** is focused on ensuring that all the equipment, machinery and other systems on the platform continue to function effectively, efficiently and safely to prevent downtime for unscheduled repairs or emergencies. **Upgrading** mainly involves adding new or replacing existing systems or structures on the platform. Carimin Petroleum Group is involved in the maintenance of piping, electrical and instrument system maintenance on production platforms.
- In general, a production platform is a structure installed in the marine environment (i.e. offshore) that houses the equipment and systems that are required to produce hydrocarbons.

7. INDUSTRY OVERVIEW (Cont'd)



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- A production platform typically consists of a topside and jacket:
 - The topside is the portion of the production platform that is permanently above the surface. It typically houses, among others, wellheads and Christmas trees, gas compressors, piping systems, power systems, production separators, and injection pumps. The topside of a manned production platform may incorporate accommodation facilities for permanently stationed workers. An automated production platform may have only basic accommodation facilities, or lack them entirely.
 - The jacket supports the topside. Jackets may be rigid and permanently installed to the sea floor, or may be floating structures that are held in place by anchors fixed to the sea floor.
- The structure, equipment and systems that are installed on a production platform normally require maintenance to ensure safe and efficient operations. Maintenance services may be provided on a scheduled basis or on an *ad hoc* basis. Production platforms may also be upgraded from time to time.
- Some of the major production platform system maintenance activities that are carried out on production platforms in Malaysia can be segmented into the following categories:



Carimin Petroleum Group is involved in these categories.

7. INDUSTRY OVERVIEW (Cont'd)

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- Mechanical maintenance involves equipment and systems such as a production platform's topside structure, piping system, heat processing system, and Christmas trees and wellheads.
- Electrical maintenance involves maintaining the production platform's electrical systems, which may include generators, control systems, wiring and lighting.
- Instrumental maintenance comprises maintenance services on pneumatic or hydraulic instrument system, electronic or digital instrument systems, and fire detection, alarm and protection systems.
- Other maintenance services for production platforms include maintenance activities such as abrasion blasting and painting, insulation work, on-line under pressure maintenance, and other maintenance works such as risk-based inspection and heating, ventilation and air conditioning system maintenance.
- In some cases, Production Sharing Contract (PSC) contractors and operators, and Risk Service Contract (RSC) contractors and operators will award offshore hook up and commissioning, and production platform maintenance service in the same contract.
- Within the production platform system maintenance services sector, Carimin Petroleum Group is primarily involved in providing maintenance services for piping systems. The Group also provides maintenance services for electrical systems and instrumentation that are related to a production platform's piping system.

3.5 Fabrication

- The Group is involved in providing minor fabrication services to operators in the development and production segments of the upstream Oil and Gas Industry.
- Fabrication is the term generally applied to the value-added process of constructing machines and structures out of various raw materials, primarily metal. The Group is involved in minor fabrication which is focused on constructing minor steel structures such as skids and piping systems that are then installed on offshore structures such as production platforms.

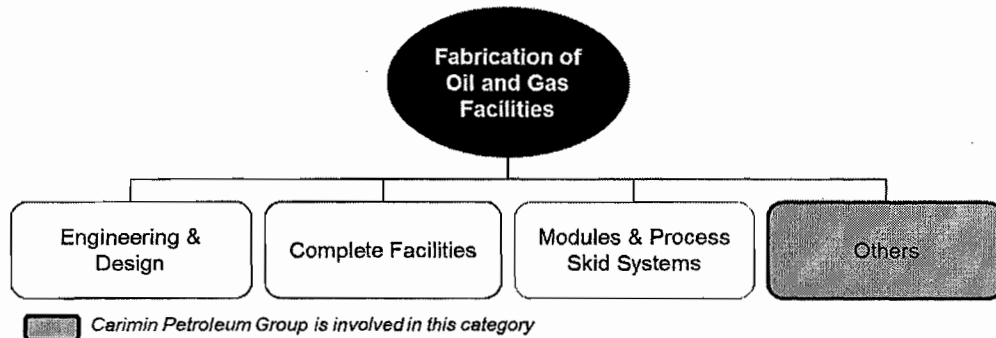
7. INDUSTRY OVERVIEW (Cont'd)



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- The fabrication of facilities for the Oil and Gas Industry may be depicted as follows:



- Engineering and design** activities encompass the application of various engineering disciplines in fabricating production facilities or oil and gas platforms. These disciplines include mechanical engineering, corrosion protection engineering, electrical engineering and instrumentation engineering.
- Complete facilities** refer to the fabrication of drilling and production facilities including oil and gas platforms that are substantially complete, which can be brought to operational status once installed on-site.
- Modules and process skid systems** involve the fabrication of process equipment systems that are intended for use in production facilities. Examples include oil and gas separation systems and chemical injection skids. These systems may be engineered and fabricated away from the production facility but must eventually be integrated with the latter to become fully functional.
- Others** refer to the fabrication of other structures and equipment, such as piping systems, cranes and vessel landing structures.
- Carimin Petroleum Group is involved in the provision of minor fabrication services focusing on the fabrication of other structures and piping systems.

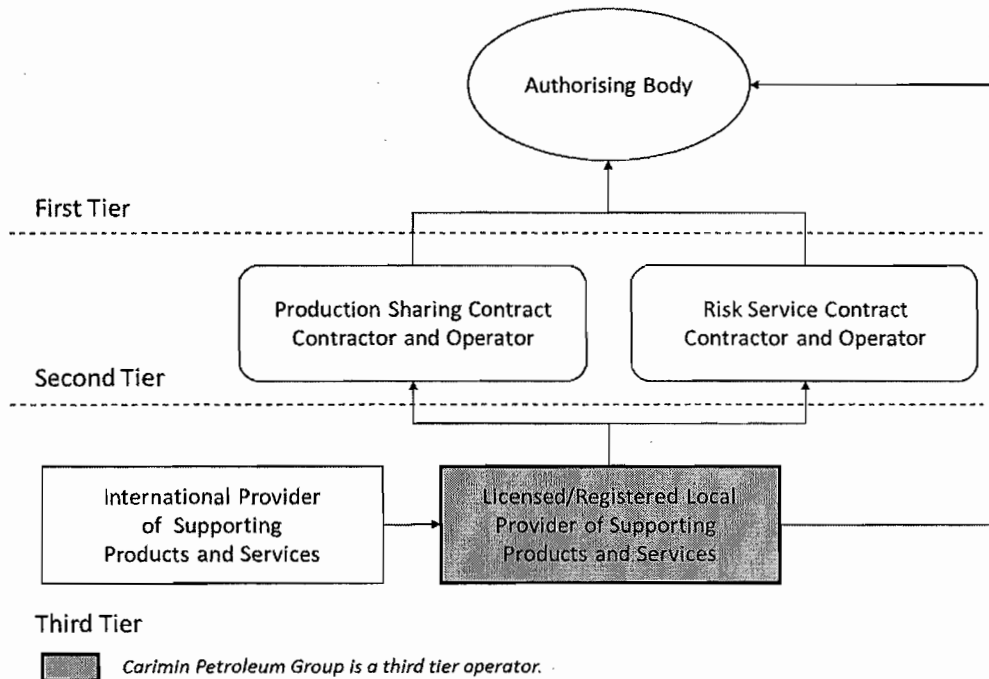
7. INDUSTRY OVERVIEW (Cont'd)



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3.6 Operators in the Upstream Oil and Gas Industry

- Operators in the upstream sector of the Oil and Gas Industry in Malaysia may be segmented into several different tiers as depicted in the following diagram:



- Operators in the upstream Oil and Gas Industry in Malaysia may be segmented in the following manner:
 - The first tier operator, comprising an authorising body, which is PETRONAS;
 - Second tier operators, comprising PSC contractors and operators, and RSC contractors and operators;
 - Third tier operators, comprising local and international providers of supporting products and services.

3.6.1 First Tier

- PETRONAS, the national petroleum corporation, is the authorising body and the first tier operator in the Oil and Gas Industry in Malaysia. PETRONAS is the primary regulator and licensing body for the Oil and Gas Industry in Malaysia, and is the organisation responsible for the industry's long-term development.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
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- Through its subsidiaries, PETRONAS is also involved in a wide range of Oil and Gas Industry activities, including:
 - exploration, development, production and refining of hydrocarbons;
 - marketing and distributing of petroleum products;
 - trading;
 - gas processing and liquefaction;
 - gas transmission pipeline network operations;
 - marketing liquefied natural gas.

3.6.2 Second Tier

- The second tier operators in the Oil and Gas Industry in Malaysia are the PSC and RSC contractors and operators.
- PSC contractors are oil and gas companies that have entered into a PSC with PETRONAS. These companies have the financial and technical ability to bear the cost and risk of undertaking hydrocarbon exploration, development and production.
- PETRONAS Carigali Sdn Bhd, a wholly owned subsidiary of PETRONAS, is a PSC contractor. Examples of large multinational oil and gas companies that are PSC contractors currently operating in Malaysia include ExxonMobil Exploration and Production Malaysia Inc, Sabah Shell Petroleum Company Limited and Sarawak Shell Berhad, while examples of smaller independent PSC contractors include Murphy Sarawak Oil Co Ltd, Petrofac (Malaysia PM304) Limited, and Talisman Malaysia Limited.
- The PSC contractor is given the right to explore, develop and produce hydrocarbons in a specified area (commonly referred to as a “block”) for a specified period of time. The PSC contractor bears all of the risks and initial costs involved in discovering hydrocarbons and initiating hydrocarbon production. Revenue from the sale of any produced hydrocarbons first goes towards covering a specified proportion of the costs involved (including exploration, development and production costs). Any revenue in excess of this is shared between the PSC contractor and PETRONAS.
- In addition to their involvement in the upstream sector of the Oil and Gas Industry, some PSC contractors are also involved in transportation, refining and distribution.

7. INDUSTRY OVERVIEW (Cont'd)


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- It should be noted that in some cases, several oil and gas companies will jointly enter into a PSC with PETRONAS for an individual block. This is normally done to share the cost and risk associated with exploration, development and production activities in that Block. In this case, there will be more than one PSC contractor for that Block. One PSC contractor, typically the PSC contractor with the largest equity stake, will be nominated as the PSC operator with overall responsibility for the development of the Block. In situations where the PSC is awarded to a sole PSC contractor, the PSC contractor is also the PSC operator.
- PETRONAS introduced RSC as a means of developing and producing small or marginal fields in Malaysia. In a RSC, PETRONAS assumes the role of project manager, while the RSC contractor is paid a fixed fee for services rendered in relation to hydrocarbon development and production.
- PETRONAS' current policy is to appoint Malaysian oil and gas companies that are listed on Bursa Malaysia Securities Berhad as RSC contractors in order to promote the development of Malaysian operators. As at end August 2014, PETRONAS has awarded six RSC to consortiums/company comprising:
 - SapuraKencana Petroleum Bhd and Petrofac Ltd;
 - Dialog Group Bhd and ROC Oil Co. Ltd;
 - Petra Energy Bhd and Coastal Energy Co.;
 - Vestigo Petroleum Sdn Bhd (a fully owned subsidiary of PETRONAS);
 - Uzma Bhd and EnQuest Plc;
 - Octanex Pte Ltd, Scomi D&P Sdn Bhd and Vestigo Petroleum Sdn Bhd.

3.6.3 Third Tier

- Companies in the third tier of the Oil and Gas Industry in Malaysia comprise local and international companies that provide supporting products and services to PETRONAS, PSC and RSC contractors and operators.
- Both local and international companies of supporting products and services are required to obtain the appropriate licence or registration for a particular product or service from PETRONAS before they are allowed to supply the first and second tier operators.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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- International providers of supporting products and services are usually required to establish partnership arrangements with a Malaysian party before they are allowed to provide supporting products and services to first tier and second tier operators in Malaysia.
- Carimin Petroleum Group is third tier operator in the Oil and Gas Industry in Malaysia. The Group is licensed by PETRONAS to provide products and services related to offshore hook up and commissioning, and production platform system maintenance and upgrading, manpower supply, and minor fabrication.

4. DEMAND AND SUPPLY CONDITIONS**4.1 Oil and Gas Fields**

- Growth in the number of oil and gas fields in operation would create demand for oil and gas supporting services such as offshore hook up and commissioning, and production platform system maintenance and upgrading, and manpower supply services.

Number of Oil and Gas Fields

| | March | | | | | December | | AAGR (%) |
|-------------------------------------|-------|------|------|------|------|----------|------|-------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2011 | 2012 | |
| Oil and Gas Fields in Operation.... | 85 | 88 | 104 | 106 | 117 | 124 | 132 | 8.3 |

Note:

PETRONAS has changed their financial year end from 31 March to 31 December, starting in 2012;

AAGR between March 2007 and March 2011.

(Source: PETRONAS)

- The number of oil and gas fields in operation grew by an AAGR of 8.3% between March 2007 and March 2011.
- The number of oil and gas fields operating in Malaysia increased to 132 as at December 2012, which included 77 oil fields and 55 gas fields.

(Source: PETRONAS)

- The continuing increase in the number of oil and gas fields in operation would provide the impetus for on-going demand for oil and gas supporting services.

7. INDUSTRY OVERVIEW (Cont'd)

VITAL FACTOR CONSULTING
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4.2 Investment in Exploration, Development and Production of Oil and Gas

- The level of investment made in the upstream sector is one of the factors used to assess the demand for oil and gas supporting services. This is because part of the investment is channelled to the engagement of services rendered by oil and gas supporting services providers.

Investment in Exploration, Development and Production of Oil and Gas

| | March | | | | | December | | AAGR (%) |
|---|-------------|-------------|-------------|-------------|-------------------------|-------------|-------------|-------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2011 | 2012 | |
| Expenditure for Exploration | 2.2 | 1.5 | 2.5 | 10.4 | 5.2 | 2.4 | 3.7 | 24.0 |
| Expenditure for Development and Production | 10.3 | 12.0 | 12.0 | 14.7 | 17.1 | 16.4 | 22.9 | 13.5 |
| Operational Expenditure | 7.3 | 8.0 | 7.8 | 3.6 | 1.8 | 11.3 | 13.4 | -29.5 |
| Total | 19.8 | 21.5 | 22.3 | 28.7 | 24.0[^] | 30.1 | 40.0 | 4.9 |

Note:

[^] Total does not add-up due to rounding;

All units in RM billion, except percentages;

PETRONAS has changed their financial year end from 31 March to 31 December, starting in 2012;

AAGR between March 2007 and March 2011.

(Source: PETRONAS)

- The overall level of investment made in the upstream sector increased at an AAGR of 4.9% between March 2007 and March 2011. The 50% decline in the level of expenditure for exploration activities between March 2011 and December 2011 were due to investments being channelled towards development and production activities after the successful drilling of two exploratory wells, namely NC3 and Spaoh-1, which led to new oil and gas discoveries in Malaysia.
- For the whole of 2012, the overall level of investment made in the upstream sector grew by 32.9% to RM40.0 billion. This was due to improved exploration efforts, which led to an increase in oil and gas discovered resources from 21.3 billion barrels of oil equivalent (BOE) in 2011 to 22.2 billion BOE in 2012.

(Source: PETRONAS)

4.3 Manpower Resources

- The statistics depicted below are used to represent the demand for manpower resources, which include those that are provided by oil and gas supporting services providers.

7. INDUSTRY OVERVIEW (Cont'd)

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Number of Workers Employed in the Oil and Gas Mining Sector

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|-------------------------------|--------|--------|--------|--------|--------|------------------------|
| Total Workers Employed* | 10,458 | 12,184 | 12,919 | 13,304 | 15,015 | 9.5 |

*Note: * Include full-time and part-time employees, working proprietors, active business partners, and unpaid family workers. (Source: Department of Statistics)*

- Between 2008 and 2012, the total number of workers employed in the oil and gas mining sector increased at an AAGR of 9.5%.

Breakdown of Workers Employed in the Oil and Gas Mining Sector in 2012

| | Persons |
|---|---------------|
| Managerial and Professional | 7,590 |
| Technical and Supervisory | 4,352 |
| Clerical and Related Occupations | 997 |
| Production/Operative Workers Directly Employed | 1,321 |
| Production/Operative Workers Employed Through Labour Contractors | 421 |
| General Workers | 334 |
| Total..... | 15,015 |

(Source: Department of Statistics)

5. DEMAND DEPENDENCIES

- In general, demand for oil and gas supporting services is dependent on the performance of the overall Oil and Gas Industry.

5.1 Production Sharing Contract and Risk Service Contract

- A PSC is a contractual agreement between a company, referred to as PSC contractor or operator, and the Malaysian Government. PSC contractors and operators have the financial and technical ability to bear the cost and risk of undertaking hydrocarbon exploration, development and production.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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- A RSC is a contract between PETRONAS and appointed contractors, where PETRONAS assumes the role of project manager while the contractors are paid a fixed fee for services rendered with regards to hydrocarbon development and production. In general, RSC are focused on the development of small or marginal fields, which are fields with reserves totalling 30 million barrels of oil equivalent (BOE) or less.

(Source: PETRONAS)

- PSC and RSC contractors and operators are target customers of oil and gas supporting services providers.

Number of Production Sharing Contracts (PSC)

| | 2008 | March | | | December | AAGR |
|-----------------------|------|-------|------|------|----------|------|
| | | 2009 | 2010 | 2011 | 2012 | (%) |
| PSC in Operation..... | 67 | 71 | 72 | 82 | 95 | 7.0 |
| New PSC Awarded..... | 4 | 6 | 4 | 11 | 9 | 40.1 |

Note: PSC = Production Sharing Contract; PETRONAS has changed their financial year end from 31 March to 31 December, starting in 2012; AAGR between March 2008 and March 2011.

(Source: PETRONAS)

- Growth in the number of PSC in operation and new PSC awarded indicates an expanding potential customer base for oil and gas supporting services providers.
- In addition to the PSC discussed above, six RSC have been awarded as at August 2014. The first RSC was awarded in January 2011 for the development and production of the Berantai field. In August 2011, a second RSC was awarded to develop and produce from the Balai Cluster. In June 2012, a third RSC was awarded for a cluster of three marginal fields, namely Kapal, Banang and Meranti. The fourth and fifth RSC were awarded in March 2014 for the Tembikai and Tanjung Baram marginal fields while the sixth RSC was awarded in June 2014 for the Ophir small field. (Source: PETRONAS)
- The development of marginal fields is intended to sustain the local upstream sector, which is expected to have a positive impact on the Oil and Gas Supporting Services Industry.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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5.2 Oil and Gas Reserves and Production

- Growth in hydrocarbon reserves and production indicates a continuing effort by PETRONAS and PSC operators and contractors to carry out exploration, development and production activities, which should continue to provide opportunities for oil and gas supporting services providers that serve the upstream sector.

Oil and Gas Reserves in Malaysia

| | 1 Jan 2009 | 1 Jan 2010 | 1 Jan 2011 | 1 Jan 2012 | 1 Jan 2013 | AAGR 2009-13 (%) |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| Total Reserves | 20.2 | 20.6 | 20.9 | 21.3 | 22.2 | 2.5 |
| - Crude Oil and Condensates | 5.5 | 5.8 | 5.9 | 6.0 | 5.9 | 1.5 |
| - Natural Gas | 14.7 | 14.8 | 15.0 | 15.4 | 16.4 | 2.8 |

Note: BOE = Barrels of Oil Equivalent; All units in billion BOE, except percentages.
(Source: PETRONAS)

- The increase in Malaysia's oil and gas reserves during this period indicates that the sustained exploration effort by operators in the upstream sector have been fruitful. In particular, the discovery of gas reserves from Malaysia's first High Pressure High Temperature (HPHT) well during the financial year ended 31 March 2009 in the Kinabalu field offshore Sabah is expected to open up new exploration prospects for deeper reserves in Malaysia.

Oil and Gas Production in Malaysia

| | 2007 | 2008 | March 2009 | 2010 | 2011 | December 2011 | December 2012 | AAGR 2007-11 (%) |
|--------------------------------|-------|-------|---------------|-------|-------|------------------|------------------|------------------------|
| Average Production | 1,611 | 1,673 | 1,659 | 1,631 | 1,614 | 1,558 | 1,587 | # |
| - Crude Oil and Condensates... | 661 | 691 | 679 | 657 | 627 | 569 | 586 | -1.3 |
| - Natural Gas | 950 | 982 | 980 | 974 | 987 | 989 | 1,001 | 1.0 |

Notes: BOE = Barrels of Oil Equivalent; All units in thousand BOE per day, except percentages;
Less than 0.1%; PETRONAS has changed their financial year end from 31 March to 31 December, starting in 2012; AAGR between March 2007 and March 2011.
(Source: PETRONAS)

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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- The decline in the average production of hydrocarbons between 31 March 2008 and 31 March 2011 was mainly attributed to maturing fields, poor reservoir performance and scheduled shutdowns of facilities for maintenance and reservoir management. However, the average production of hydrocarbons grew by 1.9% during the full year of 2012 compared to 2011. Growth was led by optimisation of production activities, acceleration of new hydrocarbon development projects, and addition of new resources via aggressive exploration and enhanced hydrocarbon recovery efforts.
- The continuing addition of new oil and gas fields into operation by PETRONAS and PSC operators and contractors should serve to sustain hydrocarbon production moving forward. In addition, the production of hydrocarbons by RSC operators from small and marginal fields should also help to sustain production.

(Source: PETRONAS)

5.3 Local Production of Oil and Gas Products

- The demand for refined petroleum products has an impact on upstream activities. As demand for refined petroleum products increases, demand for upstream activities will grow. In return, this will provide opportunities for oil and gas supporting services providers servicing the upstream sector.

Refined Petroleum Product Indicator

| | 2009 | 2010 | 2011 | 2012 | 2013 | AAGR 2009-13 (%) |
|---|------|------|-------|-------|-------|------------------------|
| Sales Value of the Manufacture of Refined Petroleum Products..... | 84.7 | 99.9 | 137.9 | 155.4 | 151.8 | 15.7 |

Note: All units in RM billion, except percentage. (Source: Department of Statistics)

- Generally, local production of refined petroleum products in terms of sales value grew between 2009 and 2013, with an AAGR of 15.7%.

5.4 Exports of Oil and Gas Products

- External demand, via exports, for oil and gas products would also have an impact on the demand for upstream activities, which in turn would affect the demand for oil and gas supporting services.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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Export Value of Selected Oil and Gas Products

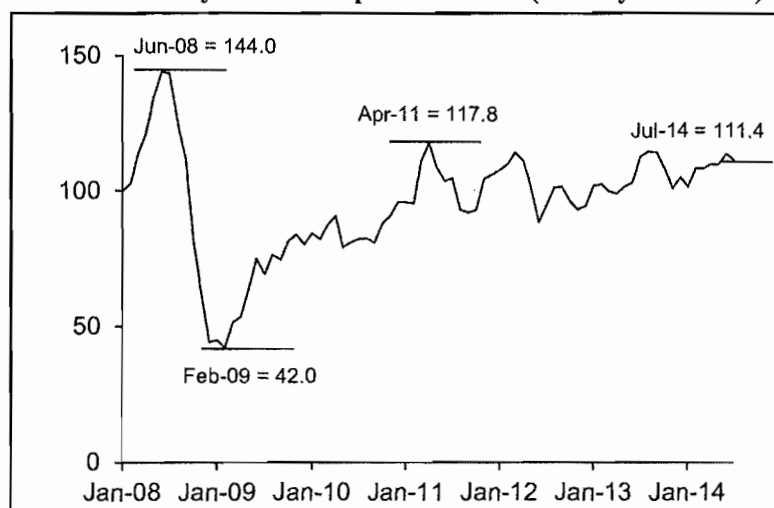
| | 2009 | 2010 | 2011 | 2012 | 2013 | AAGR 2009-13 (%) |
|---|------|------|------|------|------|------------------------|
| Petroleum Crude Oils and Crude Oils Obtained from Bituminous Minerals | 25.6 | 31.0 | 32.9 | 32.3 | 32.2 | 5.9 |
| Refined Petroleum Products | 19.4 | 25.5 | 33.0 | 47.6 | 61.3 | 33.3 |
| Residual Petroleum Products (Not Elsewhere Specified) and Related Materials | 1.0 | 1.6 | 1.3 | 2.2 | 2.1 | 20.7 |
| Natural Gas (Whether or Not Liquefied) | 31.2 | 38.7 | 50.0 | 56.1 | 59.2 | 17.4 |
| Petroleum Gases and Other Gaseous Hydrocarbons (Not Elsewhere Specified) | 2.7 | 3.2 | 3.5 | 3.9 | 4.1 | 11.3 |

Note: All units in RM billion, except percentages. (Source: Department of Statistics)

- The continuing development of the Oil and Gas Industry through the growth in exports of hydrocarbons will create and stimulate demand for oil and gas supporting services.

5.5 Market Price of Crude Oil

- Crude oil is a globally traded commodity whose price is determined by the market. The market price of crude oil would, among others, affect the level of exploration, development and production activity, which would in turn affect demand for oil and gas supporting services.

Global Monthly Crude Oil Spot Price Index (January 2008 = 100)

(Source: United States (U.S.) Energy Information Administration, computed by Vital Factor Consulting Sdn Bhd)

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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- The global monthly crude oil spot price index reached a peak of 144.0 points in June 2008. The index then declined sharply, driven by the global economic crisis, and reached a low of 42.0 points in February 2009. The global monthly crude oil spot price index has since recovered somewhat, attributed mainly to supply concerns stemming from crises in Libya and Ukraine, and fear of disruption in exports from the Middle East region. The index stood at 111.4 points as at July 2014.
- Sustained high market price for crude oil should continue to drive hydrocarbon producers in Malaysia and other producing countries to maintain production by developing new fields, including marginal oil fields. Efforts to maintain and increase production are also likely to encourage continued exploration activity and the development of new fields. This increase in activity is likely to sustain demand for oil and gas supporting services.
- Conversely, a sustained drop in market prices may lead to a decline in exploration, development and production activities, which is likely to reduce demand for oil and gas supporting services.

5.6 Oil and Gas Mining Activity

- The gross output value of the oil and gas mining sector measures the value of crude oil and condensates, and natural gas extracted, which may be used to assess the level of upstream activities.

Gross Output Value of the Oil and Gas Mining Sector

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|------------------------------------|-------|------|------|-------|-------|------------------------|
| Gross Output Value (RM billion) .. | 130.4 | 91.2 | 98.1 | 109.2 | 109.4 | -4.3 |

(Source: Department of Statistics)

- Between 2008 and 2012, gross output value declined at an average annual rate of 4.3%, from RM130.4 billion in 2008 to RM109.4 billion in 2012.
- The gross output value of the oil and gas mining sector is reflective of the performance of the average production of hydrocarbons (as depicted in Section 5.2 of this report) and market price of crude oil (as depicted in Section 5.5 of this report). For instance, the significant increase in gross output value of the oil and gas mining sector in 2008 was in line with the growth in average production of hydrocarbons and market price of crude oil during the year.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
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6. COMPETITIVE ANALYSIS

6.1 Nature of Competition in the Industry

- In general, operators in the Oil and Gas Supporting Services Industry in Malaysia face normal competitive conditions, which is similar to a free enterprise environment characterised by the following:
 - There are no undue Government regulations or licensing requirements;
 - The industry is not dominated by a single or small number of operators;
 - Operators may enter and leave the industry freely;
 - No single or small group of operators is large enough to dictate pricing.
- However, operators in the Oil and Gas Supporting Services Industry are subjected to the following conditions:
 - Only operators that are licensed or registered by PETRONAS are allowed to bid directly for work provided by PETRONAS and PSC operators and contractors in the Oil and Gas Industry;
 - Operators that wish to carry out any construction work in Malaysia must be registered with the Construction Industry Development Board (CIDB).

6.2 Factors of Competition

- As with most free enterprise environment, the factors that are used to compete and to differentiate one operator from another include the following:
 - PETRONAS licensing and registration;
 - Access to qualified personnel;
 - Technical expertise;
 - Product and service quality;
 - Compliance with customers' specifications and requirements;
 - Market reputation and track record.
- **PETRONAS Licensing and Registration**

Companies wishing to participate in the Oil and Gas Industry in Malaysia are required to obtain PETRONAS licences, or to be successfully registered with PETRONAS, as providers of specified products and services. The possession of these licences or registrations is a fundamental requirement for direct entry and participation.

7. INDUSTRY OVERVIEW (Cont'd)



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- **Access to Qualified Personnel**

Oil and gas supporting services providers with an extensive database of qualified personnel including engineers and technicians have an advantage over other operators. The provision of oil and gas supporting services such as offshore hook up and commissioning, and production platform system maintenance services, and the fabrication of structures and equipment require personnel with the relevant technical expertise, experience and qualifications.

- **Technical Expertise**

The provision of oil and gas supporting services such as offshore hook up and commissioning, production platform system maintenance and upgrading services, and fabrication of structures and equipment require a certain level of technical knowledge and skill. Having the necessary technical knowledge and skills is essential and they include product design and development, and quality inspection to ensure compliance to customers' requirements.

- **Product and Service Quality**

Product and service quality is an important factor of competition, which affects the reputation of oil and gas supporting services providers. The quality of the work is assessed based on factors such as timely delivery of the project, absence of faults or defects in the work carried out, adherence to safety requirements, and the reliability and competency of the qualified engineers, technicians and other personnel.

- **Compliance with Customers' Specifications and Requirements**

Operators must comply with their customers' specifications and requirements in supplying supporting products and services to fulfil a particular contract. Participation in projects within the Oil and Gas Industry in Malaysia is generally based on tenders. A tender bid must firstly comply with the technical specifications and requirements of the project before its commercial bid is considered.

- **Market Reputation and Track Record**

Track record and market reputation are important for operators in the Oil and Gas Supporting Services Industry. Customers need assurance of service quality, and would normally select operators with an established market reputation and track record.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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6.3 Operators in the Industry**6.3.1 Offshore Hook Up and Commissioning**

- The main operators engaged in the provision of **offshore hook up and commissioning** services for the Oil and Gas Industry in Malaysia are listed in the following table and segmented by tier ranked by their total company/group revenue. The table also summarises their capabilities.

Main Operators in the Provision of Offshore Hook up and Commissioning Services Segmented by Tier and Ranked by Total Revenue

| Ranked by Total Company/ Group Revenue | | Offshore Hook Up and Commissioning Services | | | | | Involved in Other Activities |
|--|--|---|------------|------------|------------|-----------------------------|------------------------------|
| | | Own OSV | Structural | Mechanical | Electrical | Instrumentation and Control | |
| <i>Tier 1 Operators</i> | | | | | | | |
| 1 | SapuraKencana Petroleum Berhad | √ | √ | √ | √ | √ | √ |
| 2 | Dayang Enterprise Holdings Bhd | √ | √ | √ | √ | √ | √ |
| 3 | Petra Energy Berhad | √ | √ | √ | √ | √ | √ |
| <i>Tier 2 Operators</i> | | | | | | | |
| 4 | Dialog Group Berhad | | √ | √ | √ | √ | √ |
| 5 | Shapadu Energy and Engineering Sdn Bhd | √ | √ | √ | √ | √ | √ |
| 6 | Uzma Berhad | | | √ | √ | √ | √ |
| 7 | PBJV Group Sdn Bhd* | √ | √ | √ | √ | √ | √ |
| 8 | TH Heavy Engineering Berhad^ | | √ | √ | √ | √ | √ |
| 9 | Carimin Petroleum Group | √ | √ | √ | √ | √ | √ |
| 10 | Sigur Ros Sdn Bhd | | √ | √ | √ | √ | √ |
| 11 | Oceancare Corporation Sdn Bhd | √ | | | √ | √ | √ |
| 12 | Coral Alliance Sdn Bhd | √ | √ | √ | √ | √ | √ |
| 13 | Pioneer Engineering Sdn Bhd | | √ | √ | √ | √ | √ |

Notes: OSV = Offshore Support Vessel; * Now part of the Barakah Offshore Petroleum Berhad; ^ Formerly known as Ramunia Holdings Berhad.

The table above provides a list of the main operators that are engaged in the provision of offshore hook up and commissioning services for the Oil and Gas Industry in Malaysia, and is not an exhaustive list of all operators.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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All the operators listed above also undertake other activities in addition to hook up and commissioning. Tier 1 operators are the leading operators in the sector, and Tier 2 operators are other main operators. The ranking of operators within each tier is based on the latest available total company or group revenue. Total revenue comprises revenue derived from the provision of offshore hook up and commissioning services, as well as revenue from other activities. The tiers and ranking by total revenue provides an indication of the relative size of Carimin Petroleum Group compared to other operators in the sample.

6.3.2 Production Platform System Maintenance

- The main operators engaged in the provision of **production platform system maintenance** services for the Oil and Gas Industry in Malaysia are listed in the following table and segmented by tier ranked by their total company/group revenue. The table also summarises their capabilities.

Main Operators in the Provision of Production Platform System Maintenance Services Segmented by Tier and Ranked by Total Revenue

| Ranked by Total Company/Group Revenue | | Production Platform System Maintenance Services | | | | Involved in Other Activities |
|---------------------------------------|--|---|------------|-----------------------------|----------|------------------------------|
| | | Mechanical | Electrical | Instrumentation and Control | Wellhead | |
| <i>Tier 1 Operators</i> | | | | | | |
| 1 | SapuraKencana Petroleum Berhad | √ | √ | √ | √ | √ |
| 2 | Dayang Enterprise Holdings Bhd | √ | √ | √ | | √ |
| 3 | Petra Energy Berhad | √ | √ | √ | √ | √ |
| <i>Tier 2 Operators</i> | | | | | | |
| 4 | Shapadu Energy and Engineering Sdn Bhd | √ | √ | √ | | √ |
| 5 | Uzma Berhad | √ | √ | √ | √ | √ |
| 6 | Tanjung Offshore Berhad | √ | √ | √ | √ | √ |
| 7 | PBJV Group Sdn Bhd* | √ | √ | √ | √ | √ |
| 8 | TH Heavy Engineering Berhad^ | √ | √ | √ | √ | √ |
| 9 | Carimin Petroleum Group | | √ | √ | | √ |
| 10 | Coral Alliance Sdn Bhd | √ | √ | √ | | √ |
| 11 | Pioneer Engineering Sdn Bhd | √ | √ | √ | | √ |

Notes: * Now part of the Barakah Offshore Petroleum Berhad; ^ Formerly known as Ramunia Holdings Berhad.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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The table above provides a list of the main operators that are engaged in the provision of production platform system maintenance services for the Oil and Gas Industry in Malaysia, and is not an exhaustive list of all operators. All the operators listed above also undertake other activities in addition to production platform system maintenance services. Tier 1 operators are the leading operators in the sector, and Tier 2 operators are other main operators. The ranking of operators within each tier is based on the latest available total company or group revenue. Total revenue comprises revenue derived from the provision of production platform system maintenance services, as well as revenue from other activities. The tiers and ranking by total revenue provides an indication of the relative size of Carimin Petroleum Group compared to other operators in the sample.

6.3.3 Manpower Supply

- The main operators engaged in the provision of **manpower supply** services for the Oil and Gas Industry in Malaysia are listed in the following table and segmented by tier ranked by their total company/group revenue. The table also summarises their capabilities.

Main Operators in the Provision of Manpower Supply Services Segmented by Tier and Ranked by Total Revenue

| Ranked by Total Company/Group Revenue | | Manpower Supply | | | Involved in Other Activities |
|---------------------------------------|----------------------------------|---------------------|---------------------------------------|--------------------------------------|------------------------------|
| | | Project Development | Exploration and Engineering Personnel | Production and Operational Personnel | |
| <i>Tier 1 Operators</i> | | | | | |
| 1 | Uzma Berhad | √ | √ | √ | √ |
| 2 | Carimin Petroleum Group | √ | √ | √ | √ |
| <i>Tier 2 Operators</i> | | | | | |
| 3 | Tanjung Offshore Berhad | | √ | √ | √ |
| 4 | Duta Marine Sdn Bhd | √ | | √ | |
| 5 | EP Engineering Sdn Bhd | √ | √ | √ | |
| 6 | Petronnic Sdn Bhd | √ | | | |
| 7 | Oceancare Corporation Sdn Bhd | | | √ | |
| 8 | Cekap Technical Services Sdn Bhd | √ | √ | √ | |
| 9 | Awatra Sdn Bhd | √ | √ | √ | |
| 10 | Brunel Energy Malaysia Sdn Bhd | √ | √ | √ | |
| 11 | K-Frontiers Sdn Bhd | | √ | √ | |
| 12 | SPJ Engineering Sdn Bhd | | | √ | |

7. INDUSTRY OVERVIEW (*Cont'd*)



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The table above provides a list of the main operators that are engaged in the provision of manpower supply services for the Oil and Gas Industry in Malaysia, and is not an exhaustive list of all operators. Some the operators listed above also undertake other activities in addition to manpower supply services. Tier 1 operators are the leading operators in the sector, and Tier 2 operators are other main operators. The ranking of operators within each tier is based on the latest available total company or group revenue. Total revenue comprises revenue derived from the provision of manpower supply services, as well as revenue from other activities. The tiers and ranking by total revenue provides an indication of the relative size of Carimin Petroleum Group compared to other operators in the sample.

6.3.4 Minor Fabrication

- The fabrication sector of the Oil and Gas Industry in Malaysia is segmented into two tiers, namely major and minor fabricators. Major fabricators are operators that are licensed by PETRONAS to carry out Major Offshore Fabrication – Offshore Facilities. The major fabricators in Malaysia include the following (listed in alphabetical order):
 - Boustead Heavy Industries Corporation Bhd (through subsidiary Boustead Penang Shipyard Sdn Bhd);
 - Brooke Dockyard and Engineering Works Corporation;
 - Malaysia Marine and Heavy Engineering Sdn Bhd;
 - Muhibah Engineering (M) Bhd;
 - SapuraKencana Petroleum Berhad (through subsidiary HL Engineering (M) Sdn Bhd);
 - Sime Darby Berhad (through subsidiary Sime Darby Engineering Sdn Bhd);
 - TH Heavy Engineering Berhad (formerly known as Ramunia Holdings Berhad).
- There are many minor fabricators for the Oil and Gas Industry, and many of them also undertake fabrication for non-oil and gas applications such as fabricating palm oil processing plants.
- Carimin Petroleum Group is a small player in the minor fabrication sector. Many of its fabrication works are to support its own in-house services especially in the provision of production platform system maintenance services.

7. GOVERNMENT REGULATIONS

7.1 Government Legislations and Policies

- Some of the regulations and policies applicable to oil and gas supporting services providers are as follows:

7. INDUSTRY OVERVIEW (*Cont'd*)



VITAL FACTOR CONSULTING
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7.1.1 PETRONAS Licensing and Registration

- All rights related to the exploration and extraction of petroleum in Malaysia is vested in PETRONAS under the Petroleum Development Act 1974. PETRONAS was also granted control over the carrying on of downstream activities and development relating to petroleum and its products under the Petroleum Development Act 1974.
- All companies wishing to participate in the Oil and Gas Industry in Malaysia are required to obtain the necessary licences or successfully register with PETRONAS before they are allowed to participate in any oil and gas activities.
- Companies that have obtained a licence to supply any products or services specified under the Standardised Work and Equipment Categories (SWEC) are allowed to participate in the upstream sector, downstream sector and maritime sector of the Oil and Gas Industry.
- Companies that are registered in a SWEC are only allowed to participate in the downstream sector and maritime sector of the Oil and Gas Industry. Registered companies are not allowed to participate in the upstream sector.

(Source: PETRONAS)

7.1.2 Registration with the Construction Industry Development Board

- It is mandatory under the Act of Parliament Act 520 (Act 520) for all builders, contractors and sub-contractors, whether local or foreign, to be registered with the Construction Industry Development Board Malaysia (CIDB) before undertaking or executing any construction work in Malaysia. *(Source: Construction Industry Development Board)*

7.2 Environmental Regulations

- The fabrication activities carried out by Carimin Petroleum Group do not result in any material environmental impact in terms of generating effluent.
- The Group generates bulk waste in the form of scrap steel during the normal course of its fabrication activities. This does not result in any material environmental impact, as scrap steel may be collected and sold to scrap dealers for eventual recycling.

7. INDUSTRY OVERVIEW (Cont'd)



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8. THREAT OF SUBSTITUTES

8.1 Offshore Hook Up and Commissioning, Production Platform System Maintenance and Upgrading Services

- In general, there are no practical substitutes for offshore hook up and commissioning, production platform system maintenance and upgrading services. Offshore production platforms are installed on-site, and hook up and commissioning services are required before they can become operational.
- The structure, machinery and equipment found on production platforms require maintenance to ensure safe and efficient operations, and to minimise the risk of failure. Operators may also upgrade production platform systems from time to time to maintain or enhance production.

8.2 Manpower Supply

- A potential substitute for the provision of manpower supply services exists, whereby operators in the Oil and Gas Industry source and hire the manpower resources on their own without engaging the services of third party manpower suppliers.
- However, operators that engage third parties for the provision of manpower supply may be able to benefit from the following advantages:
 - These service providers usually have access to a large database, and can identify the relevant personnel required for a particular project;
 - Cost effective as relevant personnel are engaged on a project to project basis, and not employed on a permanent basis;
 - Provides flexibility to operators that require manpower resources on a short-term basis;
 - Minimise deviation from the operator's core competencies as the search for manpower resources is undertaken by the service provider;
 - Minimise delays in completing a particular project due to lack of manpower resources as these service providers are usually able to provide fast hiring capabilities.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
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8.3 Minor Fabrication

- In general, there are no practical substitutes for minor fabrication services. In many instances, the structures and equipment used in the Oil and Gas Industry have to be designed and fabricated as they have to meet specific requirements in terms of, for example, dimensions, function and performance characteristics.

9. RELIANCE ON AND VULNERABILITY TO IMPORTS

9.1 Offshore Hook Up and Commissioning, and Production Platform System Maintenance and Upgrading Services

- The main materials used in the provision of offshore hook up and commissioning mainly comprise iron and steel products, and tools and equipment. Although most of these items are locally available, there are certain iron and steel products for which grades and specifications are not produced locally. As a result, operators in the Oil and Gas Supporting Services Industry are reliant on imports for the supply of specialised steel products that are not available locally. Nevertheless, these products can usually be obtained from a number of overseas suppliers, which reduces the risk of a supply disruption.
- In general, production platform system maintenance and upgrading services are not vulnerable to competition from imports or overseas suppliers as the provision of these services are tied to a specific location. It is typically not practical to send machinery, equipment or components that require maintenance to overseas service providers due to the time involved. These items are usually only sent to overseas service providers if there are no facilities to maintain them in Malaysia. Production platform system upgrading usually involves the installation of equipment or components at the production platform, which reduces the practicability of sending items to overseas service providers.
- Operators involved in providing production platform system maintenance and upgrading services are, to a certain extent, reliant on imports, particularly for the supply of machinery, equipment, parts and components that are not manufactured in Malaysia.
- In some cases, the origin of replacement parts and components for some machinery and equipment are specified by the machinery and equipment's original manufacturer. Equipment and components used in upgrading may also be specified by the production platform operator. In some cases, these equipment, parts and components are not manufactured in Malaysia.

7. INDUSTRY OVERVIEW (*Cont'd*)



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- Local operators who have long business relationships with international suppliers can mitigate their vulnerability to a disruption in imports.

9.2 Manpower Supply

- In general, the Oil and Gas Industry requires professionals with specialised technical expertise, knowledge, skills and experience that are able to perform specific tasks such as geoscience and petroleum engineering, core and fluid sample analysis, engineering design and offshore installation.
- Currently, Malaysia does not have a large pool of locally trained professionals to undertake these specialised tasks. As such, a large proportion of the manpower resources employed by local oil and gas companies are foreign nationals. Thus, oil and gas operators in Malaysia are dependent on specialised skilled foreign workers.
- Nevertheless, due to the diversity of skills required for the full spectrum of the Oil and Gas Industry, it is common for oil and gas companies to source specialised skilled personnel from other countries to complement their local workforce. Thus, there are pools of skilled workers who are available to work virtually anywhere in the world.

9.3 Minor Fabrication

- Steel products are the main materials used by providers of minor fabrication services for the Oil and Gas Industry. Although many steel products are produced locally, there are certain grades and specifications that are not produced locally. As such, operators have to rely on imports for the supply of these grades and specifications.
- These steel products are generally available for a number of different countries and suppliers, which reduces the risk of a supply disruption and reliance on a single supplier or country.

10. INDUSTRY PROSPECTS AND OUTLOOK

- The prospects and outlook of the Oil and Gas Supporting Services Industry is expected to be generally **favourable**. This is based on the following factors:
 - Performance of the Oil and Gas Industry;
 - Economic conditions;
 - Development of marginal oil fields;
 - Global market price of hydrocarbons.

7. INDUSTRY OVERVIEW (Cont'd)**VITAL FACTOR CONSULTING**

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10.1 Performance of the Oil and Gas Industry

- The overall performance of the Oil and Gas Industry will have a direct impact on operators providing supporting services to the Oil and Gas Industry.
- The performance of the Oil and Gas Industry in recent years was as follows:

Growth Rate of Selected Oil and Gas Industry Indicators

| | Growth (%) |
|---|-----------------------|
| Oil and Gas Fields in Operation ⁽¹⁾ | 6.5 |
| Total Investment in Upstream Activities ⁽¹⁾ | 32.9 |
| Average Production of Oil and Gas ⁽¹⁾ | 1.9 |
| Oil and Gas Reserves ⁽²⁾ | 4.4 |

Notes: (1) As at 31 December 2012; (2) As at 1 January 2013.

(Source: PETRONAS)

10.2 Economic Conditions

- A growing economy provides the impetus for private and public spending, which will have a positive flow-on effect to the Oil and Gas Supporting Services Industry.
 - Between 2009 and 2013, real GDP of the Malaysian economy grew by an AAGR of 5.7%;
 - In 2013, the Malaysian economy registered a real GDP growth of 4.7%;
 - As for 2014, real GDP for Malaysia is forecasted to grow between 4.5% and 5.5%.

(Source: Bank Negara Malaysia)

10.3 Development of Marginal Oil Fields

- The development of marginal oil fields would spur the growth in upstream activities. In turn, this would have a positive impact on the Oil and Gas Supporting Services Industry.
- Under the Economic Transformation Programme (ETP), the Government had identified the development of small or marginal oil fields, which are fields that contain reserves of 30 million BOE or less, as one of the strategies for combating the decline in oil and gas production in Malaysia.

7. INDUSTRY OVERVIEW (Cont'd)



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- Some of the measures that PETRONAS plans to implement to promote marginal oil field development include:
 - Introducing new petroleum agreements such as RSC to provide economic incentives to the contracted party;
 - Attracting exploration and production operators that specialise in marginal oil fields.

(Source: Economic Transformation Programme)

- As at August 2014, six RSC have been awarded for the development and production of the Berantai field, Balai Cluster, the Kapal, Banang and Meranti cluster, Tembikai marginal field, Tanjung Baram marginal field, and Ophir small field.

10.4 Global Market Price of Hydrocarbons

- In general, the level of exploration, development and production activity in the Oil and Gas Industry are affected by the global market price of hydrocarbons. This in turn will affect the level of demand for oil and gas supporting services.
- Between January 2009 and July 2014, the global monthly crude oil spot price index had increased by 148.4%, to 111.4 points. During this period the global monthly crude oil spot price index reached a high of 117.8 points in April 2011. *(Source: U.S. Energy Information Administration, computed by Vital Factor Consulting Sdn Bhd)*
- Global market prices for hydrocarbons that are sustained at a relatively high level are likely to encourage exploration, development and production activities. Consequently, this will help to drive demand for oil and gas supporting services such as offshore hook up and commissioning, and production platform system maintenance and upgrading, manpower supply services, and minor fabrication services.

11. THREATS AND RISK ANALYSIS

11.1 Global Economic Slowdown

- Any widespread and/or prolonged economic slowdown would affect consumer and business confidence, and subsequently their propensity to spend. The uncertainty over the global economies, particularly resulting from the euro zone debt problem, may also impact on the local economy. This slowdown would ultimately affect the demand for oil and gas supporting services.

7. INDUSTRY OVERVIEW (Cont'd)



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Mitigating Factors

- Various initiatives introduced by the Government such as the ETP, particularly the implementation of various entry point projects (EPP) under the oil, gas and energy banner, will continue to provide opportunities for the Oil and Gas Supporting Services Industry.
- These initiatives are expected to generate domestic business activities and domestic consumption, which will in turn help counter the slowdown in the local economy.

11.2 Sustained Fall in the Market Price of Hydrocarbons

- Hydrocarbons, including crude petroleum and natural gas, are internationally traded commodities that are subject to price fluctuations. Geopolitical factors, economic conditions and unforeseen supply disruptions may also influence the market price of hydrocarbons.
- Activities in the Oil and Gas Industry are, to some degree, affected by fluctuations in the market price of hydrocarbons, for instance:
 - Activities tend to increase during periods of sustained high hydrocarbon prices. This is due to elevated production activity, as well as increased activity in exploration and development;
 - Activities tend to decline during periods of sustained low hydrocarbon prices. This is due to lower production activity, as well as temporarily reducing or shutting down production from reserves that are no longer commercially viable. Exploration activity, however, will still continue.
- There is a risk that sustained low price of hydrocarbons will negatively affect activities in the Oil and Gas Industry, leading to lower demand for oil and gas supporting services.

Mitigating Factor

- The Organization of the Petroleum Exporting Countries (OPEC), a grouping that includes many of the world's largest oil producing nations, has some influence on the price of oil through their control of a sizeable proportion of the world's production capacity and reserves.
- Although the influence of OPEC over the market price of oil is not absolute, the grouping has a vested interest in ensuring that oil prices do not collapse, and as such are likely to actively attempt to sustain oil prices at an "acceptable" level.

7. INDUSTRY OVERVIEW (Cont'd)



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11.3 Depletion of Hydrocarbon Resources

- All hydrocarbon deposits are non-renewable where it is not possible to regenerate hydrocarbons within a reasonable timeframe once they have been extracted. As such, hydrocarbon resources in all hydrocarbon-producing regions, including Malaysia, will eventually be depleted.
- It is likely that demand for oil and gas supporting services in Malaysia will be affected should there be a decline in upstream activities brought about by the depletion of hydrocarbon resources.

Mitigating Factors

- The National Depletion Policy in Malaysia, which was introduced in 1980 to conserve oil and gas resources by imposing production limits, will ensure that extraction is carefully managed and sustainable over the long term.
- The relatively long period of time before current reserves of hydrocarbons in Malaysia are expected to be completely depleted enables operators in the Oil and Gas Industry, including oil and gas supporting services providers, to continue to provide their services locally and pursue new areas of growth including other industries and overseas markets.
- In addition, current reserve estimates generally tend to be conservative and may underestimate the actual amount of hydrocarbons that are ultimately extracted, as they do not take into account the following:
 - The existence of currently undiscovered hydrocarbon reserves;
 - Technological advances that increases the amount of hydrocarbons that may be commercially extracted from existing reserves;
 - Technological advances that enable production from previously inaccessible regions.
- As such, activities in the overall Oil and Gas Industry may very well continue beyond the current estimated date of complete hydrocarbon reserve depletion.

11.4 Change in PETRONAS' Policy

- A fundamental change in PETRONAS' policy with regards to regulating the Oil and Gas Industry in Malaysia may come about through the liberalisation of the Oil and Gas Industry.

7. INDUSTRY OVERVIEW (Cont'd)


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- PETRONAS may liberalise the Oil and Gas Industry in Malaysia by:
 - Removing licensing requirements for the provision of supporting products and services;
 - Loosening licensing requirements such that it becomes easier to obtain a licence;
 - Allowing foreign suppliers to operate in Malaysia without the need to operate with a local partner and other restrictions.
- Liberalising the Oil and Gas Industry in this manner will negatively impact incumbent service providers by increasing competition in the industry.

Mitigating Factors

- Currently, operators that meet the licensing and registration requirements compete with other operators based on commercial, technological and other factors. In the event of any liberalisation, existing service providers would not be significantly worse off as they are already operating in a competitive environment.

12. DRIVERS OF GROWTH

- Some of the drivers of growth for the Oil and Gas Supporting Services Industry are as follows:
 - **PETRONAS' policy** of promoting and encouraging the participation of local operators in the Oil and Gas Industry in Malaysia and overseas markets, where PETRONAS has exploration and production ventures, would provide opportunities to these operators to service the local market and support PETRONAS' foreign operations.
 - **Government initiatives** such as the development of marginal oil fields and rejuvenation of existing fields through enhanced oil recovery (EOR) techniques as reflected in the ETP will continue to provide growth opportunities for operators within the Oil and Gas Supporting Services Industry.
 - **Technological advances** that contribute to the discovery of new reserves, enhance and optimise production efficiency, improve hydrocarbon recovery from marginal fields, or enable production to take place in previously inaccessible areas are likely to increase demand for oil and gas supporting services.

7. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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- **On-going discovery of new reserves** including the development of deepwater resources will stimulate demand for products and services to support exploration, development and production activities.
- **Sustained good market price for hydrocarbons** would encourage hydrocarbon producers to maintain production at a high level, or even to increase production by developing new fields. Consequently, these efforts are likely to drive growth in the demand for oil and gas supporting services.

13. CRITICAL SUCCESS FACTORS

- **PETRONAS licensing and registration:** Companies that wish to operate in the Oil and Gas Industry in Malaysia are required to obtain PETRONAS licences, or to be successfully registered with PETRONAS, as providers of specified products and services.
- **Quality of products and services:** To ensure business sustainability, operators must be able to continually meet and deliver quality products and services to their customers. Operators that have obtained formal quality accreditations are able to provide proof of product or service quality, which would provide assurance to their customers.
- **Range of supporting services:** Operators that are able to provide various supporting services to the Oil and Gas Industry such as offshore hook up and commissioning, and production platform system maintenance and upgrading services, manpower supply, and fabrication services are in a better position to cater to diverse customer requirements.
- **Health, safety and environment (HSE) management:** HSE management is one of the key factors for operating in the Oil and Gas Industry in general. Oil and gas supporting services providers that possess a good HSE record in terms of low occurrence of work-related accidents, injuries and lost-time incidents are more likely to secure projects from their customers.
- **Track record and market reputation:** Operators with an established track record and market reputation would be in a better position to win the confidence and trust of potential customers and, at the same time, create customer loyalty to sustain and grow their business.

7. INDUSTRY OVERVIEW (Cont'd)



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14. MARKET SIZE AND SHARE

14.1 Market Size

- In 2012, the overall level of investment made in exploration, development and production activities in Malaysia was **RM40.0 billion**. The breakdown of the investment is as follows:
 - RM22.9 billion for development and production activities;
 - RM3.7 billion for exploration activities;
 - RM13.4 billion as operational expenditure.

(Source: PETRONAS)

- In 2013, the overall level of investment made in exploration, development and production activities in Malaysia was estimated at **RM42.5 billion**. *(Source: Estimated by Vital Factor Consulting Sdn Bhd)*

14.2 Market Share

- In 2013, Carimin Petroleum Group had an estimated market share of **approximately one percent** of the total investment made in exploration, development and production activities in Malaysia. The Group's market share was estimated by dividing the Group's total revenue for the financial year ended 30 June 2014 (which amounted to RM245.6 million) by the estimated overall investment of RM42.5 billion. *(Source: Computed by Vital Factor Consulting Sdn Bhd)*

We, Vital Factor Consulting Sdn Bhd, have prepared this report in an independent and objective manner and have taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely

Wooi Tan
Managing Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

8.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The profiles of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are set out below.

8.1.1 Shareholdings

| Name | Nationality/ Place of Incorporation | <----- Before IPO -----> | | | | <----- After IPO# -----> | | | |
|--|---|--------------------------|-------|--------------------------|-------|--------------------------|-------|--------------------------|-------|
| | | <-- Direct --> | | <-- Indirect --> | | <-- Direct --> | | <-- Indirect --> | |
| | | No. of Shares held | % | No. of Shares held | % | No. of Shares held | % | No. of Shares held | % |
| Mokhtar Bin Hashim | Malaysian | 77,064,634 | 44.50 | - | - | 74,424,634 | 31.82 | - | - |
| Cipta Pantas | Malaysia | 40,710,128 | 23.51 | - | - | 40,710,128 | 17.41 | - | - |
| Shatar Bin Abdul Hamid | Malaysian | 15,903,238 | 9.18 | - | - | 16,153,238 | 6.91 | - | - |
| Platinum Castle Sdn Bhd | Malaysia | 32,500,000 | 18.77 | - | - | 30,000,000 | 12.83 | - | - |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Malaysian | 7,000,000 | 4.04 | - | - | 7,050,000 | 3.01 | - | - |
| Wong Kong Foo [^] | Malaysian | - | - | 40,710,128 | 23.51 | - | - | 40,710,128 | 17.41 |
| Estate of Datuk Yahya Bin Ya'acob [^] | Malaysian | - | - | 40,710,128 | 23.51 | - | - | 40,710,128 | 17.41 |
| WHE Bina Sdn Bhd [@] | Malaysia | - | - | 32,500,000 | 18.77 | - | - | 30,000,000 | 12.83 |
| Wan Hamdan Bin Wan Embong [*] | Malaysian | - | - | 32,500,000 | 18.77 | - | - | 30,000,000 | 12.83 |

Notes:

- [^] Deemed interest by virtue of his substantial shareholdings in Cipta Pantas.
- [@] Deemed interest by virtue of its substantial shareholdings in Platinum Castle Sdn Bhd.
- ^{*} Deemed interest by virtue of his substantial shareholdings in Platinum Castle Sdn Bhd via WHE Bina Sdn Bhd.
- [#] Assuming all the Pink Form Allocations have been fully subscribed by our eligible Directors.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.1.2 Profiles

8.1.2.1 Promoters

The profiles of our Promoters are as follows:

(a) Mokhtar Bin Hashim

Mokhtar Bin Hashim, aged 55, is our Managing Director. He is also a member of our Remuneration Committee. In 1975, 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 positions 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 Managing Director, he is currently responsible for the overall management and charting the strategic directions of our Group.

(b) Cipta Pantas

Cipta Pantas was incorporated in Malaysia as a private limited company on 24 May 2004 and is principally an investment holding company. As at the LPD, the authorised share capital of Cipta Pantas is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM3,000 comprising 3,000 ordinary shares is fully issued and paid-up.

The Directors of Cipta Pantas and their respective shareholdings in Cipta Pantas as at the LPD are as follows:

| Name | Nationality | <----- Direct -----> | | <----- Indirect --> | |
|--|-------------|----------------------|-------|---------------------|---|
| | | No. of shares | % | No. of shares | % |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Malaysian | 30 | 1.00 | - | - |
| Wan Hamdan Bin Wan Embong | Malaysian | - | - | - | - |
| Wong Kong Foo | Malaysian | 2,460 | 82.00 | - | - |

The substantial shareholders and their respective shareholdings in Cipta Pantas as at the LPD are as follows:

| Name | Nationality | <----- Direct -----> | | <----- Indirect --> | |
|-----------------------------------|-------------|----------------------|-------|---------------------|---|
| | | No. of shares | % | No. of shares | % |
| Estate of Datuk Yahya Bin Ya'acob | Malaysian | 510 | 17.00 | - | - |
| Wong Kong Foo | Malaysian | 2,460 | 82.00 | - | - |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

(c) Shatar Bin Abdul Hamid

Shatar Bin Abdul Hamid, aged 48, is our Executive Director. He obtained a Diploma in API 653 Above Ground Tank Management from the Singapore Welding Society in 1998. He started his career with Sime Sembawang Engineering Sdn Bhd (now known as Sime Darby Engineering Sdn Bhd) as a Quality Assurance/Quality Control Inspector in 1984. In 1987, he left Sime Sembawang Engineering Sdn Bhd and joined Velosi (M) Sdn Bhd as a Welding and Barge Inspector. In 1991, he left Velosi (M) Sdn Bhd and joined Atkins Inspection Services Sdn Bhd as a General Inspector. He left Atkins Inspection Services Sdn Bhd in 1992 and joined EMS Engineering Services (M) Sdn Bhd as Senior General Welding Inspector. Through the company, he was seconded to various companies including Intelsma Co Sdn Bhd, DSD Construction Co (M) Sdn Bhd, Teknispek Sdn Bhd, Arashin Sdn Bhd and OGP Consultancy. He left EMS Engineering Services (M) Sdn Bhd and joined our Group in 1998 as a Construction Site Supervisor and was later promoted to Senior Construction Engineer in 2003. In 2005, he left our Group and joined Petronas Carigali as Senior Construction Engineer and Project Manager. He left Petronas Carigali in 2007 and joined Carimin Engineering as Project Director and Project Manager, and currently holds the position of Technical Director of our Group. He is currently responsible for overseeing our project management activities including cost control, performance, asset management, procurement, manpower, quality, safety and negotiations.

(d) Platinum Castle Sdn Bhd

Platinum Castle Sdn Bhd was incorporated in Malaysia as a private limited company on 11 August 2001 and is principally an investment holding company. As at the LPD, the authorised share capital of Platinum Castle Sdn Bhd is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares is fully issued and paid-up.

The Directors of Platinum Castle Sdn Bhd and their respective shareholdings in Platinum Castle Sdn Bhd as at the LPD are as follows:

| Name | Nationality | <----- Direct -----> | | <----- Indirect --> | |
|---------------------------|-------------|----------------------|---|---------------------|--------|
| | | No. of shares | % | No. of shares | % |
| Fauziah Binti Mohd Arof | Malaysian | - | - | 2 [^] | 100.00 |
| Wan Hamdan Bin Wan Embong | Malaysian | - | - | 2 [*] | 100.00 |

Notes:

[^] Deemed interest by virtue of her spouse, Wan Hamdan Bin Wan Embong's substantial shareholdings in WHE Bina Sdn Bhd.

^{*} Deemed interest by virtue of his substantial shareholdings in WHE Bina Sdn Bhd.

Platinum Castle Sdn Bhd is a wholly-owned subsidiary of WHE Bina Sdn Bhd, of which the details are set out at Section 8.1.2.2(c) below.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

(e) Tan Sri Dato' Kamaruzzaman Bin Shariff

Tan Sri Dato' Kamaruzzaman Bin Shariff, aged 73, is our Non-Independent Non-Executive Chairman. He graduated with a Bachelor of Arts Degree from the University of Malaya in 1964 and obtained a Diploma in Public Administration from Carleton University, Canada in 1969. Later in 1979, he obtained a Master's in Public Administration from Syracuse University, United States. In 1964, his career started as a Government Service Officer with the Ministry of Education. He then joined the Public Service Department in 1972 as an Assistant Secretary. He then served in the Prime Minister's Department from 1980 to 1988, where he was the Director of External Assistance and General Affairs for the Economic Planning Unit from 1980 to 1983, and the Secretary of the Cabinet Division from 1983 to 1988. He was then appointed as the Penang State Secretary later that same year. Subsequently in 1992, he returned to the Public Service Department as Deputy Director General and, in the same year, he was appointed as Secretary General of the Ministry of Defence. He was Mayor of Kuala Lumpur from 1995 to 2001. He was appointed as a Director of our Group in 2004. He is currently the Executive Chairman of Emas Kiara Industries Berhad, Non-Executive Chairman of Bintai Kinden Corporation Berhad and Director of Kontena Nasional Berhad.

8.1.2.2 Substantial shareholders

The profiles of Mokhtar Bin Hashim, Ciptas Pantas, Shatar Bin Abdul Hamid, Platinum Castle Sdn Bhd and Tan Sri Dato' Kamaruzzaman Bin Shariff are set out above and our other substantial shareholders are as follows:

(a) Wong Kong Foo

Wong Kong Foo, aged 54, is our substantial (indirect) shareholder. He is a businessman and has more than 20 years of experience in the fields of marketing, management and manufacturing. He obtained his Malaysian Certificate of Education in 1978 and continued his sixth form education at Tunku Abdul Rahman College from 1979 to 1980. In 1981, he started his career in marketing as an Advertising Representative with Malayan Thung Pau Daily News Sdn Bhd. From 1983, he left Malayan Thung Pau Daily News Sdn Bhd and joined Leong Jin Corporation Sdn Bhd as a Sales Representative and subsequently joined CMCM Perniagaan Sdn Bhd as a Sales Representative in 1984. He left CMCM Perniagaan Sdn Bhd in 1988 and joined United Engineers (Malaysia) Bhd as a Sales Executive and was subsequently transferred to its wholly-owned subsidiary, Hydron (M) Sdn Bhd, as a Product Executive. He left the company in 1992 to venture into his own business under Intan Kuala Lumpur Sdn Bhd. In 1994, he pioneered the Emas Kiara Group of Companies which was successfully listed on Bursa Malaysia in 2004 and he is currently the Deputy Executive Chairman of Emas Kiara Industries Bhd.

(b) Estate of Datuk Yahya Bin Ya'acob

The Estate of Datuk Yahya Bin Ya'acob is our substantial (indirect) shareholder.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)
(c) WHE Bina Sdn Bhd

WHE Bina Sdn Bhd was incorporated in Malaysia as a private limited company on 18 October 2002 and is principally engaged in the civil engineering and building construction works. As at the LPD, the authorised share capital of WHE Bina Sdn Bhd is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which RM1,000,000 comprising 1,000,000 ordinary shares is fully issued and paid-up.

The Directors and substantial shareholders of WHE Bina Sdn Bhd as at the LPD are as follows:

| Name | Nationality | <----- Direct -----> | | <----- Indirect -----> | |
|---------------------------|-------------|----------------------|-------|------------------------|-------|
| | | No. of shares | % | No. of shares | % |
| Fauziah Binti Mohd Arof | Malaysian | 50,000 | 5.00 | * 950,000 | 95.00 |
| Wan Hamdan Bin Wan Embong | Malaysian | 950,000 | 95.00 | * 50,000 | 5.00 |

Note:

* Deemed interest pursuant to his/her spouse's shareholding in WHE Bina Sdn Bhd.

(d) Wan Hamdan Bin Wan Embong

Wan Hamdan Bin Wan Embong, aged 45, is our substantial shareholder (indirect shareholder). He graduated with a Bachelor's Degree in Business Administrative (Hons) from Universiti Utara Malaysia in 1996. Prior to his graduation, he was appointed a director of Bukit Jerneh Quarry Sdn Bhd in 1994. He began his career with Wan Husin & Associates, a consulting engineering firm, in 1997 as a Project Manager. In 1998, he resigned from Wan Husin & Associates and joined Bukit Jerneh Quarry Sdn Bhd as Project Manager where he was assigned to handle the business development and project execution. Bukit Jerneh Quarry Sdn Bhd is the construction arm for Wan Husin & Associates. In 2007, he started WHE Bina Sdn Bhd, focusing on providing turnkey solutions for coastal erosion control, slope stabilisation, flood mitigation building and renovation works. He subsequently resigned from Bukit Jerneh Quarry Sdn Bhd in 2009 to fully concentrate on leading the operations of WHE Bina Sdn Bhd.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)**8.1.3 Changes in the Promoters and substantial shareholders' shareholdings in our Company since our incorporation**

The changes in our Promoters and substantial shareholders' respective shareholdings since our incorporation up to the LPD as well as after our IPO are as follows:

| Promoters/ Substantial shareholders | <----- As at incorporation -----> | | <----- As at LPD -----> | | <----- After IPO* -----> | | | | | |
|--|-----------------------------------|----|-------------------------|-------|--------------------------|-------|------------|-------|------------|-------|
| | No. of shares | % | No. of Shares | % | No. of Shares | % | | | | |
| Mokhtar Bin Hashim | - | - | 77,064,634 | 44.50 | - | - | 74,424,634 | 31.82 | - | - |
| Cipta Pantas | - | - | 40,710,128 | 23.51 | - | - | 40,710,128 | 17.41 | - | - |
| Shatar Bin Abdul Hamid | - | - | 15,903,238 | 9.18 | - | - | 16,153,238 | 6.91 | - | - |
| Platinum Castle Sdn Bhd | - | - | 32,500,000 | 18.77 | - | - | 30,000,000 | 12.83 | - | - |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | - | - | 7,000,000 | 4.04 | - | - | 7,050,000 | 3.01 | - | - |
| Wong Kong Foo ^ | - | - | - | - | 40,710,128 | 23.51 | - | - | 40,710,128 | 17.41 |
| Estate of Datuk Yahya Bin Ya'acob ^ | - | - | - | - | 40,710,128 | 23.51 | - | - | 40,710,128 | 17.41 |
| WHE Bina Sdn Bhd® | - | - | - | - | 32,500,000 | 18.77 | - | - | 30,000,000 | 12.83 |
| Wan Hamdan Bin Wan Embong * | - | - | - | - | 32,500,000 | 18.77 | - | - | 30,000,000 | 12.83 |
| Mazhar Bin Palil | 1 | 50 | - | - | - | - | 70,000 | 0.03 | - | - |
| Muhammad Hatta Bin Noah | 1 | 50 | - | - | - | - | 100,000 | 0.04 | - | - |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)*Notes:*

- # Assuming all the Pink Form Allocations have been fully subscribed by our eligible Directors.
 ^ Deemed interest by virtue of his substantial shareholdings in Cipta Pantas.
 @ Deemed interest by virtue of its substantial shareholdings in Platinum Castle Sdn Bhd.
 * Deemed interest by virtue of his substantial shareholdings in Platinum Castle Sdn Bhd via WHE Bina Sdn Bhd.

8.1.4 Persons exercising control over the corporation

Save for our Promoters, namely Cipta Pantas, Mokhtar Bin Hashim, Platinum Castle Sdn Bhd, Shatar Bin Abdul Hamid and Tan Sri Dato' Kamaruzzaman Bin Shariff, we are not aware of any other person who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

8.2 DIRECTORS

The profiles of our Directors and their respective shareholdings in our Company before and after our IPO are set out below:

8.2.1 Shareholdings

| Name | Designation/ Nationality | Before IPO | | After IPO # | |
|---|--|--------------------------|-----------|--------------------------|-----------|
| | | Direct | Indirect | Direct | Indirect |
| | | No. of Shares held | % held | No. of Shares held | % held |
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Non-Independent Non- Executive Chairman/ Malaysian | 7,000,000 | 4.04 | - | - |
| | | | | 7,050,000 | 3.01 |
| | | | | | |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Designation/ Nationality | Before IPO | | After IPO # | | | |
|---|---|--|-------|--|------|--|-------|
| | | <--- Direct ---> No. of Shares held | % | <--- Indirect ---> No. of Shares held | % | <--- Indirect ---> No. of Shares held | % |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Independent Non-Executive Director/ Malaysian | - | - | 50,000 | 0.02 | - | - |
| Mokhtar Bin Hashim | Managing Director/ Malaysian | 77,064,634 | 44.50 | - | - | 74,424,634 | 31.82 |
| Shatar Bin Abdul Hamid | Executive Director/ Malaysian | 15,903,238 | 9.18 | - | - | 16,153,238 | 6.91 |
| Yip Jian Lee | Independent Non-Executive Director/ Malaysian | - | - | - | - | 50,000 | 0.02 |
| Mohd Rizal Bahari Bin Md Noor | Independent Non-Executive Director/ Malaysian | - | - | - | - | 50,000 | 0.02 |
| Wan Muhamad Hatta Bin Wan Mos | Independent Non-Executive Director/ Malaysian | - | - | - | - | 50,000 | 0.02 |
| Dato' Ir. Mohamad Razali Bin Othman | Independent Non-Executive Director/ Malaysian | - | - | - | - | 50,000 | 0.02 |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(Cont'd)*

Notes:

- # Assuming all the Pink Form Allocations have been fully subscribed by our eligible Directors.
 ^ Deemed interest by virtue of his substantial shareholdings in Cipta Pantas.

8.2.2 Profiles

The profiles of Mokhtar Bin Hashim, Shatar Bin Abdul Hamid and Tan Sri Dato' Kamaruzzaman Bin Shariff are set out in Section 8.1.2 above. The profiles of our other Directors are as follows:

Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman, aged 56, is our Independent Non-Executive Director. He is also the Chairman of the Nomination Committee and the Remuneration Committee, and a member of the Audit Committee. He completed his Executive Master's in Business Management in Institut Teknologi MARA that was jointly offered by Ohio University, United States in 1998. He obtained his Master of Arts in Defence and Strategic Studies from Deakin University, Australia in 2002.

He started his career with the Royal Malaysian Navy (RMN) in 1977, and served with distinction for 35 years and 6 months up to his retirement from the service in 2012. He is a seaman officer by profession and a naval aviator by specialisation. The posts that he held with the RMN include the Head of Naval Air Wing between 2000 and 2001, and Commanding Officer of the RMN Multi Purpose Command and Support Ship, KD SRI INDERA SAKTI between 2003 and 2005. His last 2 appointments prior to his retirement were as Joint Force Commander of the Malaysian Armed Forces in 2010, and Fleet Commander of the RMN in 2011 and 2012.

Datuk Jamil holds Independent, Non-Executive Directorships in Kelington Group Berhad and Complete Logistic Services Berhad.

Yip Jian Lee, aged 59, is our Independent Non-Executive Director. She is also the Chairperson of the Audit Committee, and a member of the Nomination Committee and Remuneration Committee. 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 left PricewaterHouse Tax Services Sdn Bhd and 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 a nominee director for Permodalan Nasional Berhad (PNB), representing PNB on the boards of NCB Holdings Berhad, Kontena Nasional Berhad and KN Global Transport Sdn Bhd. She also serves on the board of Tokio Marine Life Insurance Malaysia Berhad and Tokio Marine Insurans (Malaysia) Berhad.

Mohd Rizal Bahari Bin Md Noor, aged 45, is our Independent Non-Executive Director. He is also a member of the Audit Committee. 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 (United Kingdom) in 1994.

He began his career with the Corporate Advisory Division of Malaysian International Merchant Bankers Berhad in 1996. In 1999, he left Malaysian International Merchant Bankers Berhad as an Executive and joined the SC as an Executive, where he served until his departure in 2003

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

as Senior Executive. In 2003, he co-founded Messrs Bahari & Bahari, a law firm, and he is currently practicing law with the firm.

Wan Muhamad Hatta Bin Wan Mos, aged 62, is our Independent Non-Executive Director. He graduated with a Bachelor of Engineering (Civil) degree from the University of Malaya in 1977. He obtained his Master of Science in Highway Engineering from the University of Birmingham, United Kingdom in 1989. He is a registered Professional Engineer with Board of Engineers Malaysia, a member to The Institute of Engineers Malaysia and also a member to the Road Engineering Association of Asia & Australasia (REAAA).

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

Dato' Ir. Mohamad Razali Bin Othman, aged 63, is our Independent Non-Executive Director. He graduated with a Bachelor of Engineering (Honours) (Civil) from the University of Malaya in 1977. He subsequently obtained a Master of Science in Construction Management from Loughborough University of Technology, United Kingdom in 1989. He is a registered Professional Engineer with Board of Engineers Malaysia, a Council Member of the Chartered Institution of Highway and Transport Malaysian Branch (CIHTMB), a Member of the Institution of Engineers Malaysia (IEM), a Member of the Road Association of Malaysia (REAM), and a Member of the Association of Consulting Engineers (ACEM).

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

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(Cont'd)*

8.2.3 Directors' remuneration and benefits

The aggregate remuneration and benefits paid and proposed to be paid for services rendered to our Group for the FYE 2014 and the FYE 30 June 2015 is as follows:

| Director | FYE 2014 RM | FYE 2015 RM |
|--|-------------------|-------------------|
| Tan Sri Dato' Kamaruzzaman Bin Shariff | - | 0 – 50,000 |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | - | 0 – 50,000 |
| Mokhtar Bin Hashim | 550,000 - 600,000 | 550,000 - 600,000 |
| Shatar Bin Abdul Hamid | 300,000 - 350,000 | 300,000 - 350,000 |
| Yip Jian Lee | - | 0 – 50,000 |
| Mohd Rizal Bahari Bin Md Noor | - | 0 – 50,000 |
| Wan Muhamad Hatta Bin Wan Mos | - | 0 – 50,000 |
| Dato' Ir. Mohamad Razali Bin Othman | - | 0 – 50,000 |

The remuneration which includes our Directors' salaries, bonus, fees and allowances as well as other benefits of our Directors, must be considered and recommended by our Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees must be further approved by our shareholders at a general meeting.

8.2.4 Board practices/directors' terms of office

According to our Articles of Association, all the Directors shall retire from office at the first Annual General Meeting and at each subsequent Annual General Meeting, at least 1/3 of the Directors for the time being shall retire from office and be eligible for re-election. Accordingly, all our Directors shall retire from office at least once in every 3 years but shall be eligible for re-election. A re-election of Directors shall take place each year.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next Annual General Meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

All our Directors were only appointed to the Board in 2014 and have served for less than 1 year as at the date of this Prospectus.

8.3 RELEVANT COMMITTEES

8.3.1 Audit Committee

The main functions of the Audit Committee include the following:

- (a) to review with the internal and external auditors the nature and scope of the audit plans, their audit reports, major findings and their evaluations of our accounting system and internal controls;
- (b) to review our quarterly and annual financial statements before submission to our Board, focusing in particular on any change in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, the going concern assumption and compliance with accounting standards and other regulatory or legal requirements;

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

- (c) to consider the appointment and reappointment of the internal and external auditors and matters relating to their resignation;
- (d) to review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group;
- (e) to review the assistance given by us or our employees to the auditors; and
- (f) to perform such other functions as may be requested by our Board.

The members of the Audit Committee are as follows:

| Name | Designation | Directorship |
|--|--------------------|------------------------------------|
| Yip Jian Lee | Chairman | Independent Non-Executive Director |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Member | Independent Non-Executive Director |
| Mohd Rizal Bahari Bin Md Noor | Member | Independent Non-Executive Director |

8.3.2 Remuneration Committee

The main functions of the Remuneration Committee include the following:

- (a) to review and recommend to our Board the appropriate remuneration packages for Directors and certain senior management personnel; and
- (b) ensuring that the remuneration packages are sufficient and appropriate to attract and retain the Directors to run our Company successfully.

The members of the Remuneration Committee are as follows:

| Name | Designation | Directorship |
|--|--------------------|------------------------------------|
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Chairman | Independent Non-Executive Director |
| Mokhtar Bin Hashim | Member | Managing Director |
| Yip Jian Lee | Member | Independent Non-Executive Director |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.3.3 Nomination Committee

The main functions of the Nomination Committee include the following:

- (a) to consider and recommend to our Board, suitable candidates for directorships of our Company as members of the Board committees;
- (b) to appraise each individual Director in terms of his experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of our Company; and
- (c) evaluating the effectiveness of our Board as a whole and the Board committees.

The members of the Nomination Committee are as follows:

| Name | Designation | Directorship |
|---|--------------------|---|
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | 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 |

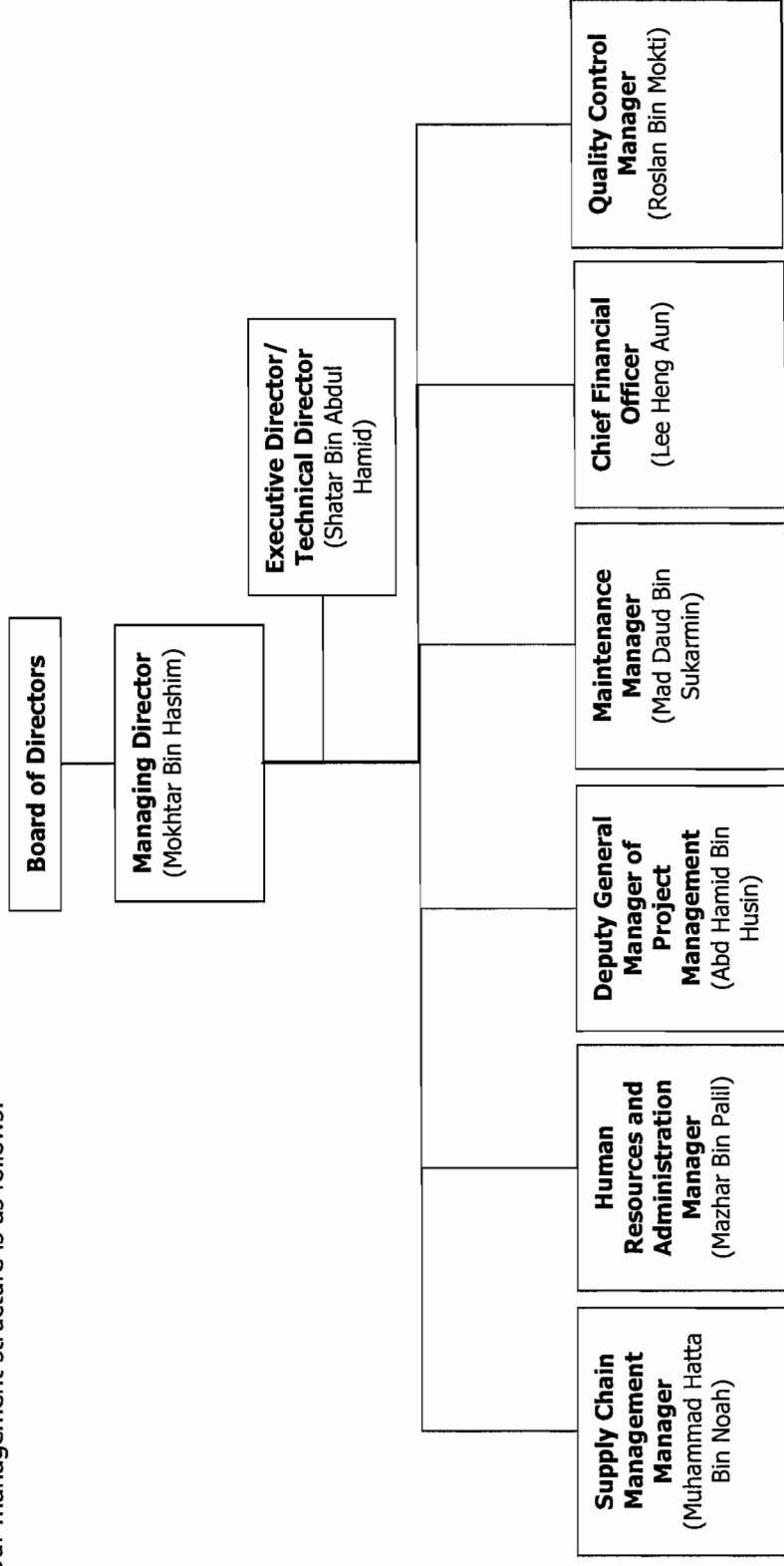
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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.4 KEY MANAGEMENT PERSONNEL

8.4.1 Management Structure

Our management structure is as follows:



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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.4.2 Shareholdings

Save for the Directors, the direct and indirect interests of our other key management and technical personnel in our Company before and after our IPO are as follows:

| Name | Designation/ Nationality | <----- Before IPO -----> | | | | <----- After IPO ^-----> | | | |
|-------------------------|---|--------------------------|---|--------------------------|---|--------------------------|------|--------------------------|---|
| | | <-- Direct --> | | <--Indirect--> | | <-- Direct --> | | <--Indirect--> | |
| | | No. of Shares held | % | No. of Shares held | % | No. of Shares held | % | No. of Shares held | % |
| Muhammad Hatta Bin Noah | Supply Chain Management Manager/ Malaysian | - | - | - | - | 100,000 | 0.04 | - | - |
| Mazhar Bin Palil | Human Resources and Administration Manager/ Malaysian | - | - | - | - | 70,000 | 0.03 | - | - |
| Abd Hamid Bin Husin | Deputy General Manager of the Project Management / Malaysian | - | - | - | - | 100,000 | 0.04 | - | - |
| Mad Daud Bin Sukarmin | Maintenance Manager / Malaysian | - | - | - | - | 100,000 | 0.04 | - | - |
| Lee Heng Aun | Chief Financial Officer / Malaysian | - | - | - | - | 100,000 | 0.04 | - | - |
| Roslan Bin Mokti | Quality Control Manager /Malaysian | - | - | - | - | 100,000 | 0.04 | - | - |

Note:

^ Assuming all the Pink Form Allocations have been fully subscribed by our eligible employees.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.4.3 Profile

Save for the profiles of our Directors, which are disclosed in Section 8.2.2 of this Prospectus, the profiles of the other key management personnel of our Group are as follows:

Muhammad Hatta Bin Noah, aged 47, is our Supply Chain Management Manager. In 1990, he graduated with a Bachelor of Science degree in Petroleum Engineering from Texas Tech University, United States. He started his career in 1991 as a Service Engineer for offshore oil and gas platforms with BJ Oilwell Services (M) Sdn Bhd. In 1992, he left BJ Oilwell Services (M) Sdn Bhd and joined CSB as a Project Engineer, and he was seconded to Titan Petrochemical (M) Sdn Bhd and Titan Polyethylene Sdn Bhd from August 1992 to July 1994. He then left CSB and joined Dynac Sdn Bhd as a Project Engineer from 1994 to 1996, where he carried out projects for the major fabrication of offshore oil and gas platforms for Esso Malaysia and Sarawak Shell Berhad. He left Dynac Sdn Bhd and rejoined CSB in 1996, and was seconded to Esso Malaysia as a Project Engineer from October 1996 to September 2001, and to Petronas Carigali as a Senior Engineer (Project Control/Planning) from October 2001 to August 2008. In 2008, he was promoted to his current position as Supply Chain Management Manager of our Group.

Mazhar Bin Palil, aged 52, is our Human Resources and Administration Manager. He graduated with a Diploma in Strategic and Defence Studies from the University of Malaya in 1996 and later obtained a Master's Degree in Management from the same university in 1999. He started his career with the Malaysian Armed Forces in 1981, and served until 2002. In 2003, he joined Edaran Otomobil Nasional Berhad as Senior Executive for Safety and Security. In 2004, he left Edaran Otomobil Nasional Berhad and joined Mewah-Oils Sdn Bhd as Assistant Manager for Human Resources and Administration. Subsequently in 2005, he left Mewah-Oils Sdn Bhd and joined Sankyu (Malaysia) Sdn Bhd as its Personnel and Administration Manager. In 2009, he left Sankyu (Malaysia) Sdn Bhd and joined CSB in his current position as Human Resources and Administration Manager of our Group.

Abd Hamid Bin Husin, aged 54, is our Deputy General Manager of Project Management. He obtained his Bachelor of Science Engineering (Civil Engineering) Degree from University College London, United Kingdom in 1986. In 1987, he was a Trainee Engineer with the Development Division of the Melaka Tengah District Office. The position was an internship under the Undergraduate Employment Scheme. He began his career in 1988 with Esso Malaysia as a Project Engineer, where he was responsible for the daily supervision of offshore contractors, supervision of repair work on oil risers at production platforms, and supervising fabrication work at third-party fabrication yards in Pasir Gudang, Johor. In 1996, he left Esso Malaysia and joined Sumatec Corporation Sdn Bhd as a Project Manager responsible for onshore construction work on oil terminals, refineries and petrochemical plants. He left Sumatec Corporation Sdn Bhd in 2010 and joined Kencana HL Sdn Bhd as a Senior Proposal Manager, where he was in charge of the company's tendering department. He left Kencana HL Sdn Bhd and joined CSB in 2011 as a Project Manager, and was promoted to his current position as the Deputy General Manager of the Project Management in 2013.

Mad Daud Bin Sukarmin, aged 48, is our Maintenance Manager. He obtained a Certificate in Mechanical Engineering from Politeknik Ungku Omar in 1985 and later obtained a Diploma in Mechanical Engineering from Akashi National College of Technology, Japan, in 1990. His career started in 1990 as a Machinist with Kawashima Kogyosho Pte Ltd in Japan. In 1992, he left Kawashima Kogyosho Pte Ltd and joined Extron Electronic (M) Sdn Bhd as a Purchaser. In 1993, he left Extron Electronic (M) Sdn Bhd and joined Alps Electric (Malaysia) Sdn Bhd as Quality Control Manager. Subsequently in 2009, he left and joined Carimin Engineering as a Cost Control Engineer. In 2011, he was appointed as a Maintenance Engineer for Carimin Equipment. He is currently the Maintenance Manager of our Group.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Lee Heng Aun, aged 50, is our Chief Financial Officer. In 1988, he graduated with a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College. He then pursued the Association of Chartered Certified Accountants (ACCA) qualifications in the United Kingdom, which he completed in 1990. He is currently a fellow of the ACCA. He obtained a Master's in Business Administration from Multimedia University in 2001. His career started in 1990 as an Audit Assistant with Fordham Cooper Chartered Accountants in the United Kingdom. In 1993, he left Fordham Cooper Chartered Accountants and joined KPMG in Malaysia as an Audit Senior. In 1995, he left KPMG and joined Polaroid Malaysia Limited as its Finance and Administration Manager. In 1998, he left Polaroid Malaysia Limited and joined TNT Express Worldwide as Financial Controller, and held the position of Finance and Administration Director when he left in 2002. He joined Konsortium Logistik Berhad as Vice President, Internal Audit and Risk Management in 2002 and worked for the company until 2004 where his last position was Senior Vice President of the Haulage Division. In 2005, he joined Mobile Money International Sdn Bhd as its Chief Operating Officer. In 2007, he left Mobile Money International Sdn Bhd and joined Zelan Holdings (M) Sdn Bhd based in Abu Dhabi, United Arab Emirates as General Manager of Finance. Subsequently in 2009, he left Zelan Holdings (M) Sdn Bhd and joined Team Builders LLC as General Manager of Finance. He left Team Builders LLC later that same year and joined FBM-KNM FZCO, a subsidiary of KNM Group Berhad, where he held the position of Regional Chief Financial Officer based in Dubai, United Arab Emirates. In 2010, he was appointed as Chief Financial Officer of another subsidiary of KNM Group Berhad, FBM Hudson Italiana SpA. In 2011, he returned to Malaysia and joined Cipta Pantas as Senior General Manager. In 2012, he left Cipta Pantas and joined our Group as Chief Financial Officer.

Roslan Bin Mokti, aged 54, is our Quality Assurance/Quality Control Manager. In 1982, he graduated with a Diploma in Mechanical Engineering from Universiti Teknologi Malaysia and started his career as a Machinery Inspector with the Department of Factory and Machinery (now known as Department of Occupational Safety and Health) in the same year. In 1985, he left the Department of Factory and Machinery and joined Hill & Mill Sdn Bhd as a Workshop Supervisor. He left Hill & Mill Sdn Bhd and joined Velosi (M) Sdn Bhd as General Inspector in 1988. Through the company, he was seconded to Esso Malaysia where he worked until 1997. In 1997, he left Velosi (M) Sdn Bhd and joined Atkins Inspection Services Sdn Bhd as General Inspector and was seconded to Petronas Gas Berhad. He then left Atkins Inspection Services Sdn Bhd and joined Dialog E & C Sdn Bhd as Senior Quality Control Supervisor in 1998. In 2002, he left Dialog E & C Sdn Bhd and joined Petra Resources Sdn Bhd as a Quality Control and Welding Field Engineer. In 2003, he was promoted to the post of Painting Supervisor for the company. In 2005, he left Petra Resources Sdn Bhd and joined Nam Fatt Engineering Sdn Bhd as Quality Control Superintendent and was posted in Sudan. Subsequently in 2006, he left Nam Fatt Engineering Sdn Bhd and rejoined Dialog E & C Sdn Bhd as Quality Control Manager. He left Dialog E & C Sdn Bhd later that same year and joined Intraline Services Sdn Bhd as a Quality Control Engineer. In 2007, he left Intraline Services Sdn Bhd and joined Vastalux Sdn Bhd as Quality Control Manager. Subsequently in 2008, he left Vastalux Sdn Bhd and joined Carimin Engineering as Quality Assurance/Quality Control Manager. He is currently the Quality Assurance/Quality Control Manager of our Group.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.5 PRINCIPAL ACTIVITIES PERFORMED OUTSIDE OUR GROUP

Save as disclosed below, none of our Directors has any directorship and/or business activities performed outside our Group at present and in the past 5 years up to the LPD.

| Name | Company | Principal activities | Involvement/ Position Held |
|--|---|--|--|
| Tan Sri Dato' Kamaruzzaman Bin Shariff | Sitra (Malaysia) Sdn Bhd | Planners, engineers consultants and contractors transportation system | Director |
| | Yayasan De La Salle | Dormant | Director |
| | Emas Kiara | Investment Holding | Director and Shareholder |
| | Emas Kiara Sdn Bhd | Management services and trading of geosynthetic products and technical fabrics for engineering and industrial applications | Director (Ceased to be a Director on 9.6.2014) |
| | Tibbett & Britten Kontena Nasional Sdn Bhd | Dormant (Dissolved) | Director |
| | Bisraya Sdn Bhd | Dealing in land, properties and other development related activities | Director |
| | Noblecorp Lands (Pahang) Sdn Bhd (formerly known as Advance Technical Fabric Sdn Bhd) | Trading and marketing of industrial fabrics and geosynthetic products | Director (Ceased to be a Director on 9.6.2014) |
| | LBC Estate Holdings Sdn Bhd | Electrical and mechanical engineering and construction works | Director |
| | Metronic Global Berhad | Investment Holding | Director (Ceased to be a Director on 24.12.2012) |
| | Kontena Nasional Berhad | Container haulage, total logistics services | Director |
| | Cipta Pantas | Investment holding and provision of management services | Director and Shareholder |
| | Gerak Kiara Sdn Bhd | Dormant | Director (Ceased to be a Director on 18.9.2012) |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------|--|---|---|
| | Kuala Lumpur Lions Foundation | To receive and administer funds and to undertake the service of haemodialysis | Director |
| | Banjaran Asia Sdn Bhd | Dormant (Dissolved) | Director and Shareholder |
| | KN Global Transport Sdn Bhd | Integrated logistics (warehousing, distribution, transportation and freight forwarding) | Director |
| | Sinomae Engineering Sdn Bhd | Investment holding and property development | Director |
| | Bintai Kinden Corporation Berhad | Investment holding and provision of management services to its subsidiary companies | Director |
| | Micare Sdn Bhd (previously known as Metronic Icares Sdn Bhd) | Third party administrator and as a managed care organisation for healthcare sector, via connectivity applications and infrastructure for the exchange of transactional information through the internet | Director (Ceased to be a Director on 24.12.2012) |
| | Metronic Engineering Sdn Bhd | System integration in the field of intelligent building management systems and integrated management systems, E-project management of mechanical and electrical services, supply of engineering system | Director (Ceased to be a Director on 24.12.2012) |
| | Ho Hup Construction Company Berhad | Foundation engineering, civil engineering, building contracting works and hire of plant and machinery | Director (Ceased to be a Director on 18.6.2014) |
| | Ho Hup Equipment Rental Sdn Bhd | Dormant | Director (Ceased to be a Director on 17.6.2014) |
| | Bukit Jalil Development Sdn Bhd | Property development | Director (Ceased to be a Director on 29.6.2012) |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------|--|---|---|
| | Kejuruteraan Kindenko Sdn Bhd | Bintai Provision of specialised electrical and mechanical engineering services, construction, property development and property and investment holdings | Director |
| | Noblecorp Construction Sdn Bhd (previously known as Noblecorp Builders Sdn Bhd) | Dormant | Director (Ceased to be a Director on 9.6.2014) |
| | Nusa Gapurna Development Sdn Bhd (Alternate Director) | Property and investment holdings | Director |
| | Legipac Sdn Bhd | To transact business as general traders and etc, acquisition of lands, houses and etc, to run contracting business | Director and Shareholder (Ceased to be a Director on 3.12.2013 and ceased to be a shareholder on 23.12.2013) |
| | Innovative Ecological System Sdn Bhd | Manufacturing of erosion control products and contract, manufacturer for stitching process | Shareholder |
| | Midlane Venture Sdn Bhd | Property and investment holding, general trading | Shareholder |
| | Mostrans Logistics Sdn Bhd | Freight forwarding logistics and warehousing business, transport business, to carry on a sea transport business (Dissolved) | Shareholder |
| | Buzznet Technologies (M) Sdn Bhd | Hardware and software system integration | Shareholder |
| | World Aerospace Sdn Bhd | Exhibition services (Wound up) | Director and Shareholder |
| | Bintai Asset Holdings Sdn Bhd | Investment holding company | Director (Ceased to be a Director on 18.2.2011) |
| | Lereno Sdn Bhd | Production of biodiesel | Director (Ceased to be a Director on 30.6.2010) |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|---|--|---|--|
| | Noblecorp Engineering Sdn Bhd (formerly known as Beringin Sanctuary Sdn Bhd) | Mechanical and electrical engineering | Director (Ceased to be a Director on 8.8.2011) |
| | Sino Mae Holdings (M) Sdn Bhd | Dormant | Director (Ceased to be a Director on 30.6.2010) and Shareholder |
| | Sanjung Sepang Sdn Bhd | Dormant | Director (Ceased to be a Director on 20.10.2011) |
| | MH Projects Sdn Bhd | To establish, run and operate medical centre hospitals (Wound up) | Director (Ceased to be a Director on 30.11.2009) |
| | Nilaitera Sdn Bhd | Dormant | Director |
| | Such Success Sdn Bhd | Dormant | Director |
| | Success Pact Development Sdn Bhd | Dormant | Director |
| | Projekmaju Sdn Bhd | Land and property development, acquisition of lands and properties, general trading | Director |
| | My Views Sdn Bhd | Dormant | Director |
| | Usahatanah Jaya Sdn Bhd | Dormant | Director |
| | Arch Angel Capital Sdn Bhd | Investment, general trading and financial consulting | Director |
| | Noblecorp Sdn Bhd | Provision of Management Services | Director |
| Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman | Jag Security Services Sdn Bhd | Maritime security and any other form of securities services, to enter into any arrangement with any government, to obtain from such government licences privileges and awards, to carry on the business as consultants and advisors | Director and Shareholder |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|--------------------|-------------------------------------|---|--|
| | Fast Extract Sdn Bhd | General trading | Director (Ceased to be a Director on 15.5.2013) and Shareholder |
| | Kelington Group Berhad | Engaged in the business of providing engineering services and general trading | Director |
| | Complete Logistic Services Berhad | Engaged in providing marine transportation and logistic services | Director |
| | DJO Services Sdn Bhd | Private security activities, business management consultancy services, export and import of a variety of goods without any particular specialization N.E.C. | Director and Shareholder |
| Mokhtar Hashim | Bin SK Offshore | Chartering of Offshore Support Vessel | Director |
| | Emme Properties Sdn Bhd | Properties (Dissolved) | Director and Shareholder |
| | Carimin Industries Sdn Bhd | Dormant (Dissolved) | Director and Shareholder |
| | AOG Engineering Sdn Bhd | Dormant (Dissolved) | Director |
| Shatar Abdul Hamid | Bin Sah Property Management Sdn Bhd | Engaged as general contractor | Director and Shareholder |
| | Titanium Technology Sdn Bhd | Dormant | Director (Ceased to be a Director at 15.3.2012) and Shareholder |
| | Sa Fourthtrade Sdn Bhd | Engage as sub-contractors of oil and gas engineering works | Director (Ceased to be a Director at 16.2.2012) |
| | RS Setia Development Sdn Bhd | Housing development, building, civil and mechanical contractor and investment holding | Director and Shareholder |
| Yip Jian Lee | Kontena Nasional Berhad | Container haulage, total logistic services | Director |
| | NCB Holdings Bhd | Investment holding and the provision of management services to its subsidiaries | Director |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------------------------|--|---|--|
| | Tokio Marine Insurans (Malaysia) Berhad | Principally engaged in the underwriting of all classes of general insurance business | Director |
| | Asia General Asset Bhd | Investment holding | Director |
| | KN Global Transport Sdn Bhd | Integrated logistics (warehousing, distribution, transportation and freight forwarding) | Director |
| | Intan Budaya Presentations Sdn Bhd | Promoting shows and stage performances and other related matters | Director (Ceased to be a Director on 9.11.2009) and Shareholder |
| | Boardroom Professionals Sdn Bhd | Dormant (Dissolved) | Director and Shareholder |
| | Janze Marketing (M) Sdn Bhd | Trading and marketing of consumer products | Director and Shareholder |
| | Tokio Marine Life Insurance Malaysia Bhd | Underwriting of all classes of life insurance business | Director |
| | Lyric Opera Malaysia Sdn Bhd | Production of musical performances | Director |
| | Asiabound Sdn Bhd | Business adviser and consultants (Dissolved) | Director |
| | KN Maritime Services Sdn Bhd | Dormant | Director |
| | PAAC Management Sdn Bhd | Providing management, consultancy services, the distribution of management training materials, organising conference and letting of properties | Director and Shareholder |
| | Professional Golf of Malaysia | To promote the sport of golf and to contribute towards its enjoyment and growth, to conduct and/or coordinate training of golf related courses, to promote and/or conduct golf tours, or events on golf | Director |
| Mohd Rizal Bahari Bin Md Noor | Tandem Professional Development Sdn Bhd | Education and training for professionals and management consultancy services | Director and Shareholder |
| | Synergie Total Solutions Sdn Bhd | General trading | Director |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------------------------|---|--|---|
| | La Belle Vie Sdn Bhd | Training and motivation consultant, publisher, printer, sales and distributor of books | Director and Shareholder |
| | Dimensi Bumijaya Sdn Bhd | Dormant | Secretary |
| | ARMF Technologies Sdn Bhd | Investment holding (Dissolved) | Shareholder |
| Wan Muhamad Hatta Bin Wan Mos | Htmaltec Consultants Sdn Bhd | Project management and consultancy services | Director and Shareholder |
| | Nash Ventures Sdn Bhd | General trading | Director (Ceased to be a Director on 23.5.2012) |
| | Quantum Sawmill Sdn Bhd | Property holding (Plantation) | Director and Shareholder |
| | Citinova Property Sdn Bhd | Property holding (Plantation) | Director and Shareholder |
| | AS Sabeel Food Manufacturing Sdn Bhd | Food supply manufacturing | Director (Ceased to be a Director on 16.11.2010) |
| | HTM Consultants Sdn Bhd | Engineering consultants | Director and Shareholder |
| | RV Land Sdn Bhd | Property holding | Director and Shareholder (Ceased to be a Director on 18.2.2014) |
| | Terotechnology Sdn Bhd | General trading (Dissolved) | Director and Shareholder |
| | Pakatan Tiga Mechanalysis Sdn Bhd | Maintenance management consultants and provision preventive maintenance (Dissolved) | Director |
| | Rimbun Asiana Sdn Bhd | General trading (Dissolved) | Director and Shareholder |
| | Pelangi Teratai Sdn Bhd | Commercial trading (it has not commenced operations) (Striking off) | Director and Shareholder |
| | Embun Pelangi Cemerlang Engineering Sdn Bhd | Dormant (Dissolved) | Director and Shareholder |
| | RHL Project Management Sdn Bhd | Project management (Dissolved) | Director and Shareholder |
| | Monetary Concorde (M) Sdn Bhd | General trading (Dissolved) | Director and Shareholder |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------------------------------|---|--|---|
| | WHK Resources Sdn Bhd | Investment holding | Director and Shareholder |
| | Embun Pelangi Cemerlang Sdn Bhd | Property holding | Director (Ceased to be a Director on 10.9.2013) and Shareholder |
| | PPES Progap Sdn Bhd | Road construction and provision of laboratory services (winding up) | Director |
| | PPES Water Sdn Bhd | Dormant (Dissolved) | Director |
| | PPES Roads Sdn Bhd | Dormant (Dissolved) | Director |
| | Winby Enterprise Sdn Bhd | Property development | Director (Ceased to be a Director on 27.3.2009) |
| | Embun Pelangi Sdn Bhd | Construction works | Director and Shareholder |
| | Hei Yih Holdings Sdn Bhd | Dormant (winding up) | Shareholder |
| | Ladang Hayat Sejati Sdn Bhd | Plantation (Dissolved) | Shareholder |
| Dato' Ir. Mohamad Razali Bin Othman | Minconsult Sdn Bhd | Engineering consulting services | Director and Shareholder |
| | Central Spine Expressway Sdn Bhd | Dormant | Director and Shareholder |
| | Rafulin Holdings Sdn Bhd | Investment holding | Director |
| | Aktif Unggul Sdn Bhd | Construction of road works | Director |
| | KL – Kuala Selangor Expressway Bhd | Designing, construction, operating, managing, maintaining the KL-Kuala Selangor Expressway | Director |
| | Jambatan Kedua Sdn Bhd | Constructing, developing and operating the Second Penang Bridge | Director (Ceased to be a Director on 2.8.2011) |
| | Construction Research Institute of Malaysia | Promoting and financing research and development works | Director (Ceased to be a Director on 1.4.2009) |
| | Serambi Pesona Sdn Bhd | Dormant | Director and Shareholder |
| | Serambi Idaman Sdn Bhd | Dormant | Director and Shareholder |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------|-----------------------|--|---------------------------------------|
| | Azimat Eureka Sdn Bhd | Design and construction of institutional buildings | Director |

Involvement in other business activities outside our Group by our Directors does not give rise to any conflict of interest situation with our business. On matters or transactions requiring the approval of our Board, Directors who are deemed interested or conflicted in such matters shall be required to abstain from deliberations and voting on the resolutions relating to these matters or transactions. Their involvement in other business activities is not expected to affect their contributions and responsibilities to our Group.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(Cont'd)*

8.6 INVOLVEMENT OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

The involvement of our Executive Directors in other principal business activities is set out in Section 8.5 of this Prospectus.

Save as disclosed below, as at the LPD, none of our key management personnel are involved in any other principal business activities:

| Name | Company | Principal activities | Involvement/ Position Held |
|-------------------------|--------------------------------------|--|---------------------------------------|
| Muhammad Hatta Bin Noah | Carimin Sabah Sdn Bhd [^] | Dormant | Director and Shareholder |
| | Technaxis Sdn Bhd* | Construction, fabrication of structures, maintenances and consultant specialist services | Shareholder |
| Mazhar Bin Palil | Carimin Sabah Sdn Bhd [^] | Dormant | Director and Shareholder |
| Lee Heng Aun | Management Advisory Services Sdn Bhd | Company secretarial and management services | Shareholder |

Notes:

[^] *Carimin Sabah Sdn Bhd is a dormant company and is in the process of being struck-off from the register under Section 308 of the Act.*

* *Encik Hatta is not involved in the day-to-day operations in Technaxis Sdn Bhd.*

Involvement in other business activities outside our Group by our key management does not give rise to any conflict of interest situation with our business. On matters or transactions requiring the approval of our Board, our Directors who are deemed interested or conflicted in such matters or transactions shall be required to declare their interests and abstain from deliberations and voting on the resolutions relating to these matters or transactions. Our Board has taken cognisance of the involvement of our key management personnel in other existing business activities and are of the view that their involvement in other business activities will not affect their responsibilities to our Group.

The basis leading to our Board's view is as follows:

- (i) none of our key management has any executive role or are involved in the day-to-day operations of these businesses; and
- (ii) the involvement of our key management in these businesses is limited to their shareholdings.

Moving forward, our Board shall discourage our key management personnel from undertaking other business activities which may affect their contributions and responsibilities to our Group.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.7 RELATIONSHIPS OR ASSOCIATIONS

Save as disclosed below, there is no family relationship or association between our Promoters, substantial shareholders, Directors and key management personnel:

- (i) Mad Daud Bin Sukarmin, our Maintenance Manager, is the brother-in-law of Mokhtar Bin Hashim, our Managing Director, Promoter and substantial shareholder; and
- (ii) Roslan Bin Mokti, our Quality Assurance/Quality Control Manager, is the brother-in-law of Shatar Bin Abdul Hamid, our Executive Director, Promoter and substantial shareholder.

8.8 SERVICE AGREEMENTS

There are no existing or proposed service agreements between the companies within our Group and our Directors or key management personnel.

8.9 DECLARATIONS FROM OUR PROMOTERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

As at the LPD, none of our Promoters, Directors or key management personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) any judgment that was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.10 BENEFITS PAID OR INTENDED TO BE PAID

Save for the salaries, bonuses, allowances and dividend, there have been no amounts and benefits that have been or are intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

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9. APPROVALS AND CONDITIONS**9.1 APPROVALS AND CONDITIONS****9.1.1 SC**

The SC had vide its letter dated 30 June 2014 granted its approval for our Listing under Section 214(1) of the CMSA ("SC Approval Letter").

The conditions as stipulated in the SC Approval Letter are set out as follows:

| No. | Details of conditions imposed | Status of compliance | | | | | | | | | | | | | | | |
|-------------------------|---|-------------------------|--------------------|-------------------|--|---|---|------------|------|------|----------------|------|---------------------|--|-------|-------|--|
| 1.2 | Conditions | | | | | | | | | | | | | | | | |
| | <p>(i) M&A Securities and CPB to submit to SC, prior to the registration of the Prospectus, measures undertaking by the Board to:</p> <p style="margin-left: 40px;">(a) improve corporate governance and establish adequate procedures, systems and controls to ensure compliance with securities laws, regulations and guidelines and other laws and regulations applicable to the business of CPB; and</p> <p style="margin-left: 40px;">(b) ensure that the directors and management of CPB are equipped with the required knowledge and understanding of securities laws, regulations and guidelines and other laws and regulations applicable to them and the company, including an understanding of the obligations of CPB as a listed company and their roles and obligations as directors and managers of the listed company;</p> | Complied | | | | | | | | | | | | | | | |
| | <p>(ii) M&A Securities and CPB to fully comply with the relevant requirements under the SC's Equity Guidelines and Prospectus Guidelines – Equity pertaining to the implementation of the Listing.</p> | To be complied | | | | | | | | | | | | | | | |
| 2. | Effect of the Proposed Listing on equity structure of CPB | To be complied | | | | | | | | | | | | | | | |
| | <p>The shareholding structure of CPB before and after the Listing is as follows:</p> | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th style="text-align: center;">Category of shareholder</th> <th style="text-align: center;">Before the Listing</th> <th style="text-align: center;">After the Listing</th> </tr> <tr> <td></td> <th style="text-align: center;">%</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Bumiputera</td> <td style="text-align: center;">76.5</td> <td style="text-align: center;">54.5</td> </tr> <tr> <td>Non-Bumiputera</td> <td style="text-align: center;">23.5</td> <td style="text-align: center;">45.5⁽¹⁾</td> </tr> <tr> <td></td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">100.0</td> </tr> </tbody> </table> | Category of shareholder | Before the Listing | After the Listing | | % | % | Bumiputera | 76.5 | 54.5 | Non-Bumiputera | 23.5 | 45.5 ⁽¹⁾ | | 100.0 | 100.0 | |
| Category of shareholder | Before the Listing | After the Listing | | | | | | | | | | | | | | | |
| | % | % | | | | | | | | | | | | | | | |
| Bumiputera | 76.5 | 54.5 | | | | | | | | | | | | | | | |
| Non-Bumiputera | 23.5 | 45.5 ⁽¹⁾ | | | | | | | | | | | | | | | |
| | 100.0 | 100.0 | | | | | | | | | | | | | | | |
| | <p>Note:</p> <p>(1) Assuming the Shares to be offered under the Public Issue and Offer for Sale are fully subscribed by non-Bumiputera shareholders.</p> | | | | | | | | | | | | | | | | |

9. APPROVALS AND CONDITIONS *(Cont'd)*

9.1.2 Bursa Securities

Bursa Securities had vide its letter dated 3 September 2014, approved our admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of CPB of RM116,939,000 comprising 233,878,000 Shares on the "Trading/Services" sector of the Main Market of Bursa Securities.

The approval from Bursa Securities was subjected to the following conditions:

| No. | Details of conditions imposed | Status of compliance |
|------|--|----------------------|
| (i) | Make the relevant announcements pursuant to Rules 8.1 and 8.2 of Practice Note 21 of the Listing Requirements; and | To be complied |
| (ii) | Furnish Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire issued and paid-up share capital of CPB on the first day of listing. | To be complied |

9.2 WAIVERS

M&A Securities had on behalf of our Company sought relief from the SC from disclosing certain salient terms of the agreement dated 13 November 2013 entered into between Petronas Carigali and Carimin Engineering as well as making available the said salient terms of the agreement for public inspection. The relief was sought under Paragraph 8.02(m) and 18.01(b) of the Prospectus Guidelines ("Relief Application").

Relief was sought from the SC for the proposed redaction of the following salient terms of the agreement as well as making available the said salient terms of the agreement for public inspection:

- (i) Article 32 of the agreement - non-exclusive clause;
- (ii) Exhibit II of the agreement - milestone payment schedule and schedule of prices and rates;
- (iii) Exhibit XVII of the Agreement - project schedule; and
- (iv) Exhibit XVIII of the Agreement - other documents.

The SC had vide its letter dated 19 June 2014 approved the Relief Application, except for the proposed redaction of Article 32 of the agreement.

9.3 MORATORIUM ON SHARES

In accordance with the SC Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company for 6 months from the date of admission of our entire enlarged issued and paid-up share capital to the Official List of Bursa Securities ("Moratorium Period").

9. APPROVALS AND CONDITIONS (Cont'd)

Upon completion of our IPO, the amount of our Promoters' Shares to be placed under moratorium are as follows:

| Name | <---Direct --> | | <-- Indirect --> | |
|---|-----------------------------|----------|-------------------------------|----------|
| | No. of Shares held | % | No. of Shares held | % |
| Mokhtar Bin Hashim* | 74,424,634 | 31.82 | - | - |
| Cipta Pantas | 40,710,128 | 17.41 | - | - |
| Shatar Bin Abdul Hamid* | 16,153,238 | 6.91 | - | - |
| Platinum Castle Sdn Bhd | 30,000,000 | 12.83 | - | - |
| Tan Sri Dato' Kamaruzzaman Bin Shariff* | 7,050,000 | 3.01 | - | - |

Note:

* *Our Directors has been allocated Shares under the Pink Form Allocations as follows:*

| Name of Director | Designation | No of Shares allocated |
|---|---|-------------------------------|
| <i>Tan Sri Dato' Kamaruzzaman Bin Shariff</i> | <i>Non-Independent Non-Executive Chairman</i> | <i>50,000</i> |
| <i>Mokhtar Bin Hashim</i> | <i>Managing Director</i> | <i>750,000</i> |
| <i>Shatar Bin Abdul Hamid</i> | <i>Executive Director</i> | <i>250,000</i> |
| Total | | <u>1,050,000</u> |

In the event they fully subscribes for their said allocation, all Shares issued under the Pink Form Allocations will also be subject to the moratorium.

Our Promoters have provided undertaking letters to the SC that they will not sell, transfer or assign their shareholdings under moratorium for the Moratorium Period.

The Share Registrar and Bursa Depository have been informed in relation to the moratorium restriction on our Promoters to ensure that they do not register any transfer of Shares contravening the above moratorium restriction.

The direct shareholders of Cipta Pantas, namely Estate of Datuk Yahya Bin Ya'acob and Wong Kong Foo, have undertaken not to sell, transfer or assign their respective shareholdings in Cipta Pantas during the Moratorium Period.

The direct shareholder of Platinum Castle Sdn Bhd, namely WHE Bina Sdn Bhd has undertaken not to sell, transfer or assign its shareholdings in Platinum Castle Sdn Bhd during the Moratorium Period.

9. APPROVALS AND CONDITIONS (Cont'd)

The direct shareholders of WHE Bina Sdn Bhd, namely Fauziah Binti Mohd Arof and Wan Hamdan Bin Wan Embong have undertaken not to sell, transfer or assign their respective shareholdings in WHE Bina Sdn Bhd during the Moratorium Period.

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10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST

10.1 RELATED PARTY TRANSACTIONS

There are no transactions, existing or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders, key management personnel and/or persons connected with them which are significant in relation to the business of our Company and our subsidiary companies for FYE 2011, FYE 2012, FYE 2013 and FYE 2014.

10.1.1 Non-recurrent related party transactions

We have not entered into any non-recurrent related party transactions with our Directors, substantial shareholders, key management personnel and/or persons connected with them for FYE 2011, FYE 2012, FYE 2013 and FYE 2014.

10.1.2 Recurrent related party transactions

Save as disclosed below, we have not entered into any recurrent related party transaction of a revenue or trading in nature which are necessary for our day-to-day operations and in our ordinary course of business with certain related parties which involves the interests, direct or indirect, of our Directors, substantial shareholders, key management personnel and/or persons connected with them ("Recurrent Transactions") for FYE 2011, FYE 2012, FYE 2013 and FYE 2014:

- (i) During FYE 2011, Southcorp Energy Sdn Bhd, which is owned by our substantial shareholders (indirect), namely Wan Hamdan Bin Wan Embong and Wong Kong Foo had provided manpower to Carimin Engineering amounted to RM750,000. Southcorp Energy Sdn Bhd is involved in the provision of general construction works and provision of management services. It also provides yard rental for the civil engineering and oil and gas industry. The engagement of Southcorp Energy Sdn Bhd was necessary as Carimin Engineering had immediate requirements for the required manpower and was unable to source it via external parties due to the short notice to mobilise in order to commence the implementation of its project.

Should we enter into any Recurrent Transactions in future years, our Board shall seek the approval from our non-interested shareholders for a mandate to enter into such Recurrent Transactions at the general meeting(s) of our Company in order to mitigate any potential conflict of interest arising from such Recurrent Transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, monitor Recurrent Transaction (if any) and the terms thereof and report to our Board for further action. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any Recurrent Transaction entered into by us.

10.2 INTEREST IN SIMILAR BUSINESS

None of our Directors or substantial shareholders have any interest, direct or indirect, in other businesses or corporations carrying on a similar or related trade as our Group, or are the customers and/or suppliers of our Group.

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

10.3 OTHER TRANSACTIONS

10.3.1 There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party in respect of the past 4 FYE 2011 to FYE 2014.

10.3.2 There were no outstanding loans (including guarantees of any kind) made to/by us to or for the benefit of a related party in respect of the past 4 FYE 2011 to FYE 2014.

10.3.3 Save as disclosed below, none of our Directors or substantial shareholders had any interest, direct or indirect, in the promotion of or in any material assets which had been, within the past 4 FYE 2011 to 2014, acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to us:

- (i) On 1 December 2012, Mad Daud Bin Sukarmin, a Director of our wholly-owned subsidiaries, namely Carimin Corporate, Carimin Equipment Management and Carimin Airis ("the Landlord") and Carimin Engineering had entered into a Tenancy Agreement whereby the Landlord agreed to grant to Carimin Engineering and Carimin Engineering has agreed to accept a tenancy of Unit 7-9-8, Ixora Apartment, Jalan Tun Razak, 50400 Kuala Lumpur with a monthly rental at RM2,000 only from 1 December 2012 to 30 November 2014.

10.3.4 Save as disclosed below, our Group has not entered into any transactions with M&A Securities, the Adviser, Underwriter and Placement Agent for our Listing:

- (i) Agreement dated 19 December 2011 between CSB and M&A Securities for the appointment of M&A Securities as the Adviser and Placement Agent for our Listing and.
- (ii) Underwriting agreement dated 19 September 2014 between CPB and M&A Securities for the underwriting of 14,694,000 IPO Shares to be issued pursuant to our Public Issue.

10.4 DECLARATIONS BY THE ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Adviser, Underwriter and Placement Agent for our Listing.
- (b) Tay Helen & Wong has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for our Listing.
- (c) Crowe Horwath has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.
- (d) Vital Factor Consulting Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants for our Listing.

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11. PRO FORMA HISTORICAL FINANCIAL INFORMATION

The following sections set out the summary of our Group's pro forma financial statements. The pro forma consolidated financial information of our Group are prepared based on our audited consolidated financial statements. The pro forma consolidated financial information as contained herein are presented for illustrative purposes to show the aggregate results of our Group and on the assumption that our Group structure had been in existence throughout the financial years under review.

Our pro forma consolidated financial statements have been compiled based on the bases and accounting policies consistent with those currently adopted by our Group which are set out in the notes and assumptions included in the Reporting Accountants' Letter on Pro forma Consolidated Financial Information as set out in Section 11.2 of this Prospectus. The financial statements used in the preparation of our pro forma consolidated financial information were prepared in accordance with applicable Malaysian Financial Reporting Standards in Malaysia. Any adjustments which were dealt with when preparing our pro forma consolidated financial information have been highlighted and disclosed in Section 11.2 of this Prospectus. In this respect, you should read the summary of our pro forma consolidated financial information which has been presented below together with the Reporting Accountants' Letter on Pro forma Consolidated Financial Information as set out in Section 11.2 of this Prospectus.

11.1 HISTORICAL FINANCIAL INFORMATION

11.1.1 Pro forma consolidated statements of profit or loss and other comprehensive income

The following table sets forth an extract of the pro forma consolidated statements of profit or loss and other comprehensive income for the past FYEs 2011 to 2014 which have been prepared for illustration purposes on the assumption that the current structure of our Group existed throughout the FYEs under review. The pro forma consolidated statements of profit or loss and other comprehensive income are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions set out in Section 11.2 of this Prospectus.

| | <----- Pro forma Group -----> | | | |
|---|-------------------------------|---------------|---------------|---------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 158,422 | 368,868 | 325,787 | 245,575 |
| Cost of sales | (137,168) | (330,485) | (285,972) | (202,491) |
| Gross profit | 21,254 | 38,383 | 39,815 | 43,084 |
| Other operating income | 217 | 592 | 1,773 | 1,748 |
| Administrative expenses | (6,995) | (12,962) | (14,243) | (12,798) |
| Other expenses | (1,747) | (2,700) | (2,016) | (1,930) |
| Operating profit | 12,729 | 23,313 | 25,329 | 30,104 |
| Finance costs | (90) | (369) | (315) | (246) |
| Share of profit of joint venture | - | 347 | 1,102 | 791 |
| PBT | 12,639 | 23,291 | 26,116 | 30,649 |
| Taxation | (3,109) | (6,487) | (6,613) | (8,751) |
| PAT | 9,530 | 16,804 | 19,503 | 21,898 |
| No. of Shares assumed to be in issued ('000)* | 173,178 | 173,178 | 173,178 | 173,178 |
| EBITDA | 13,911 | 25,836 | 28,951 | 35,183 |
| Gross EPS (sen) | 7.30 | 13.45 | 15.08 | 17.70 |
| Net EPS (sen) | 5.50 | 9.70 | 11.26 | 12.64 |
| Gross profit margin (%) | 13.42 | 10.41 | 12.22 | 17.54 |
| PBT margin (%) | 7.98 | 6.31 | 8.02 | 12.48 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | ←----- Pro forma Group -----> | | | |
|---|-------------------------------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| PAT margin (%) | 6.02 | 4.56 | 5.99 | 8.92 |
| Effective tax rate (%) | 24.60 | 27.85 | 25.32 | 28.55 |
| Interest coverage (times) | 141.43 | 35.01 | 38.63 | 19.51 |
| No of Shares assumed to be in issued (^000)^ | 233,878 | 233,878 | 233,878 | 233,878 |
| Diluted net EPS (sen) | 4.07 | 7.18 | 8.34 | 9.36 |

*Notes:** *Based on the number of Shares in issue before our IPO.*^ *Based on the number of Shares in issue after our IPO.***Notes to the pro forma consolidated statements of profit or loss and other comprehensive income:**

- (a) The pro forma consolidated statements of profit or loss and other comprehensive income have been prepared based on the audited financial statements of our Group, using the bases and accounting policies consistent with those adopted in the audited financial statements, after giving effect to the pro forma adjustments which are considered appropriate.
- (b) The audited financial statements of our Group for the respective financial years under review have been prepared in accordance with applicable Malaysian Financial Reporting Standards in Malaysia.
- (c) The gross profit margin is computed by dividing the gross profit by the revenue earned in the respective financial years.
- (d) The PBT margin is computed by dividing the PBT by the revenue earned in the respective financial years.
- (e) The PAT margin is computed by dividing the PAT by the revenue earned in the respective financial years.
- (f) The gross EPS is computed by dividing the PBT by the number of ordinary shares assumed to be in issue of 173,178,000 Shares.
- (g) The net EPS is computed by dividing the PAT by the number of ordinary shares assumed to be in issue of 173,178,000 Shares.
- (h) The diluted net EPS is computed by dividing PAT by the enlarged number of ordinary shares after our Listing of 233,878,000 Shares.
- (i) All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.
- (j) There was no share of profits of associates throughout the financial years under review.
- (k) There were no exceptional or extraordinary items throughout the financial years under review.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**11.1.2 Pro forma consolidated statements of financial position**

The pro forma consolidated statements of financial position as set out below are provided for illustrative purposes only to show the effects on the consolidated statements of financial position of our Group as at 30 June 2014 had our Acquisitions, Group re-organisation, Public Issue and utilisation of proceeds been completed on that date. The pro forma consolidated statements of financial position are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions set out in Section 11.2 of this Prospectus.

| | As At 30 June 2014 RM'000 | Pro forma I After Acquisitions and Group re- organisation (1) RM'000 | Pro forma II After Pro forma I and Public Issue(2) RM'000 | Pro forma III After Pro forma II and utilisation of proceeds(3) RM'000 |
|---|------------------------------------|---|---|---|
| Non-Current Assets | | | | |
| Property, plant and equipment | - | 53,065 | 53,065 | 157,583 |
| Investment in joint venture | - | 3,640 | 3,640 | 3,640 |
| Other investments | - | 50 | 50 | 50 |
| Total Non-Current Assets | - | 56,755 | 56,755 | 161,273 |
| Current Assets | | | | |
| Amount owing by contract customers | - | 12,157 | 12,157 | 12,157 |
| Trade receivables | - | 78,639 | 78,639 | 78,639 |
| Other receivables, deposits and prepayments | 880 | 21,093 | 21,093 | 21,093 |
| Amount owing by joint venture | - | 2,130 | 2,130 | 2,130 |
| Tax recoverable | - | 20 | 20 | 20 |
| Fixed deposits with licensed banks | - | 17,125 | 17,125 | 17,125 |
| Cash and bank balances | 3 | 16,564 | 83,334 | 24,514 |
| Total Current Assets | 883 | 147,728 | 214,498 | 155,678 |
| Total Assets | 883 | 204,483 | 271,253 | 316,951 |
| Equity | | | | |
| Share capital | # | 86,589 | 116,939 | 116,939 |
| Share premium | - | - | 36,420 | 35,510 |
| Merger deficit | - | (77,637) | (77,637) | (77,637) |
| (Accumulated loss)/Retained profits | (41) | 98,455 | 98,455 | 95,865 |
| Capital reserves | - | 17 | 17 | 17 |
| Total Equity attributable to equity holders of the Company | (41) | 107,424 | 174,194 | 170,694 |
| Non-controlling interests | - | - | - | - |
| Total Equity | (41) | 107,424 | 174,194 | 170,694 |
| Non-Current Liabilities | | | | |
| Long-term borrowings | - | 33,210 | 33,210 | 89,905 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | As At 30 June 2014 RM'000 | Pro forma I After Acquisitions and Group re- organisation (¹) RM'000 | Pro forma II After Pro forma I and Public Issue(²) RM'000 | Pro forma III After Pro forma II and utilisation of proceeds(³) RM'000 |
|---|------------------------------------|--|--|--|
| Total Non-Current Liabilities | - | 33,210 | 33,210 | 89,905 |
| Current Liabilities | | | | |
| Trade payables | - | 11,778 | 11,778 | 11,778 |
| Other payables and accruals | 13 | 39,437 | 39,437 | 39,437 |
| Amount owing to a related party | 911 | - | - | - |
| Dividend payable | - | 210 | 210 | 210 |
| Provision for taxation | - | 3,735 | 3,735 | 3,735 |
| Short-term borrowings | - | 7,497 | 7,497 | - |
| Bank overdrafts | - | 1,192 | 1,192 | 1,192 |
| Total Current Liabilities | 924 | 63,849 | 63,849 | 56,352 |
| Total Liabilities | 924 | 97,059 | 97,059 | 146,257 |
| Total Equity and Liabilities | 883 | 204,483 | 271,253 | 316,951 |
| Current ratio | - | 2.31 | 3.36 | 2.76 |
| Borrowings (all interest bearing debts) | - | 41,899 | 41,899 | 91,097 |
| Gearing ratio (times) | - | 0.39 | 0.24 | 0.53 |
| NA | (41) | 107,424 | 174,194 | 170,694 |
| NA per share (sen) | (10,250) | 0.62 | 0.74 | 0.73 |

Notes:

- (1) Incorporates the effects of the Acquisitions and Group re-organisation as set out in Section 5.3 of this Prospectus.
- (2) Incorporates the effects of Pro forma (I) and Public Issue.
- (3) Incorporates the effects of Pro forma (II) and utilisation of proceeds as set out in Section 3.10 of this Prospectus.
- # Represents RM20 of the subscribers' shares.

11.1.3 Pro forma consolidated statement of cash flows

The pro forma consolidated statement of cash flows for the FYE 2014 as set out below are provided for illustrative purposes only and are based on the assumption that the current structure of our Group existed throughout the financial years under review and adjusted to reflect our Acquisitions, Group re-organisation, purchase of an AHTS, Public Issue and the utilisation of proceeds. The pro forma consolidated statement of cash flows should be read in conjunction with the accompanying notes and assumptions set out in Section 11.2 of this Prospectus.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | FYE 2014 RM'000 |
|---|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| PBT | 28,059 |
| Adjustments for: | |
| Depreciation of property, plant and equipment | 3,380 |
| Gain on disposal of property, plant and equipment | (5) |
| Impairment losses on: | |
| - trade receivables | 425 |
| - property, plant and equipment | 160 |
| Interest income | (502) |
| Interest expense | 1,656 |
| Property, plant and equipment written off | # |
| Listing expenses | 2,590 |
| Share of profit of joint venture | (791) |
| Unrealised gain on foreign exchange | (18) |
| Operating profit before working capital changes | 34,954 |
| Decrease in amount owing by contract customers | 17,720 |
| Increase in trade and other receivables | (36,919) |
| Decrease in trade and other payables | (1,361) |
| CASH FROM OPERATIONS | 14,394 |
| Interest received | 502 |
| Interest paid | (1,656) |
| Tax paid | (7,338) |
| NET CASH FROM OPERATING ACTIVITIES | 5,902 |
| CASH FLOWS FOR INVESTING ACTIVITIES | |
| Purchase of property, plant and equipment | (56,643) |
| Proceeds from disposal of property, plant and equipment | 5 |
| NET CASH FOR INVESTING ACTIVITIES | (56,638) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Dividend paid | (850) |
| Placement of pledged deposits | (937) |
| Proceeds from issuance of shares pursuant to public issue | 66,770 |
| Payment of listing expenses | (3,500) |
| Repayment of invoice financing | (3,984) |
| Repayment of hire purchase obligations | (749) |
| Repayment of term loans | (6,458) |
| NET CASH FROM FINANCING ACTIVITIES | 50,292 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (444) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 23,766 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | FYE 2014 RM'000 |
|--|----------------------------|
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 23,322 |
| CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: | |
| Fixed deposits with licensed banks | 17,125 |
| Cash and bank balances | 24,514 |
| Bank overdrafts | (1,192) |
| | 40,447 |
| Less: Fixed deposits pledged to licensed banks | (17,125) |
| | 23,322 |

Note:

Less than RM1,000.

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11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

11.2 REPORTING ACCOUNTANTS' LETTER ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Date: 12 September 2014

Kuala Lumpur Office
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998
www.crowehorwath.com.my
info@crowehorwath.com.my

The Board of Directors
Carimin Petroleum Berhad
B-1-6, Block B, Megan Avenue 1,
189 Jalan Tun Razak,
50400 Kuala Lumpur

Dear Sirs

CARIMIN PETROLEUM BERHAD ("CPB" OR "THE COMPANY") REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of CPB and its subsidiaries ("CPB Group" or "the Group") by the Board of Directors for inclusion in the Prospectus of CPB in connection with the proposed listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Malaysia Securities Berhad ("the Proposal"). The pro forma consolidated financial information (which we have stamped for the purpose of identification) consists of:-

- a) the pro forma consolidated statements of profit or loss and other comprehensive income for the financial years ended 30 June 2011 to 30 June 2014;
- b) the pro forma consolidated statements of financial position as at 30 June 2014;
- c) the pro forma consolidated statement of cash flows for the financial year ended 30 June 2014; and
- d) the related notes as set out in the accompanying statements.

The applicable criteria on the basis of which the Board of Directors has compiled the pro forma consolidated financial information are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") set out in Note 1 of the pro forma consolidated financial information.

The pro forma consolidated financial information has been compiled by the Board of Directors to illustrate:-

- a) the Group's financial performance for the financial years ended 30 June 2011 to 30 June 2014 as if the Group had been in existence throughout these financial years;
- b) the impact of the events or transactions set out in Note 1 on the Group's financial position as at 30 June 2014; and
- c) the Group's financial cash flows for the financial year ended 30 June 2014 as if the Group had been in existence throughout the financial year.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Board of Directors from the Group's financial statements for the financial years ended 30 June 2011 to 30 June 2014, on which the audit reports have been published.

Directors' Responsibility for the Pro Forma Consolidated Financial Information

The Board of Directors of CPB is solely responsible for compiling the pro forma consolidated financial information on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

Our Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma consolidated financial information has been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated financial information on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of pro forma consolidated financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

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

Opinion

In our opinion, the pro forma consolidated financial information has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

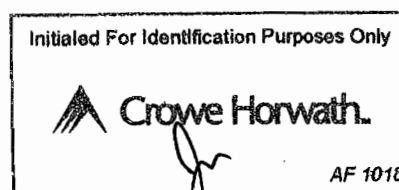
Other Matters

We understand that this letter will be used solely for the purpose of inclusion in the Prospectus of CPB in connection with the Proposal. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

James Chan Kuan Chee
Approval No : 2271/10/15 (J)
Chartered Accountant

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION****1. PRO FORMA GROUP AND BASIS OF PREPARATION****1.1 Pro Forma Group**

The pro forma consolidated financial information of Carimin Petroleum Berhad ("CPB") and its subsidiaries (collectively referred to as "CPB Group" or "the Group"), comprises the financial information of the following companies, are presented for the purpose of illustration only:-

- a) CPB
- b) Carimin Sdn Bhd ("CSB") and its subsidiaries ("CSB Group")

The relevant financial periods for the purpose of this report ("Relevant Financial Period") are as follows:

| Entity | Relevant Financial Period |
|---------------|---|
| CPB | Financial period from 14 March 2012 (date of incorporation) to 30 June 2013 FYE 30 June 2014 |
| CSB Group | FYE 30 June 2011 FYE 30 June 2012 FYE 30 June 2013 FYE 30 June 2014 |

FYE - Financial Year Ended

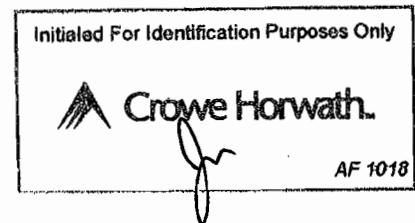
The pro forma consolidated financial information of CPB Group is prepared on the assumption that CPB Group had been in existence throughout the FYEs 30 June 2011 to 2014. The pro forma consolidated financial information comprises the following:-

Section 2 - Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Relevant Financial Period;

Section 3 - Pro Forma Consolidated Statements of Financial Position as at 30 June 2014;
and

Section 4 - Pro Forma Consolidated Statement of Cash Flows for FYE 30 June 2014.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



CPB GROUP

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation

The pro forma consolidated financial information of CPB Group is prepared based on the audited financial statements of CPB and CSB Group for the Relevant Financial Period.

The financial statements used in the preparation of this letter for the Relevant Financial Period under review were not subject to any audit qualification or emphasis of matter.

The pro forma consolidated financial information has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") in Malaysia and, bases and accounting policies consistent with those adopted by CPB Group after incorporating adjustments that are appropriate for the preparation of the pro forma consolidated financial information.

The pro forma consolidated financial information has been prepared using the merger method. Under the merger method;

- (i) if the cost of merger is lower than the nominal value of the share capital of the subsidiaries acquired, a credit balance will arise and be treated as merger reserve.
- (ii) if the cost of merger exceeds the nominal value of the share capital of the subsidiaries acquired, a debit balance will arise and be treated as merger deficit under the pro forma consolidated statements of financial position.

The pro forma consolidated financial information has been prepared solely to illustrate:-

- (i) the financial results of CPB Group for the FYEs 30 June 2011 to 2014 on the assumption that CPB Group had been in existence throughout the Relevant Financial Period;
- (ii) the pro forma consolidated statements of financial position of CPB Group as at 30 June 2014 which incorporate the effects of the listing scheme as described below had the scheme been implemented; and
- (iii) The cash flows of CPB Group for the FYE 30 June 2014 on the assumption that the Group structure had been in place since the beginning of the financial year.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

Initialed For Identification Purposes Only



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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

The listing scheme comprises the following:-

(i) Acquisition of CSB

Prior to the implementation of the Acquisition of CSB, the shareholders of CSB were Mokhtar Bin Hashim (49.0% equity interest) and Cipta Pantas Sdn Bhd ("Cipta Pantas") (51.0% equity interest). The acquisition of CSB involves the acquisition of 100% equity interest in CSB comprising 1,000,000 ordinary shares of RM1.00 each in CSB ("CSB Shares") from Mokhtar Bin Hashim and Cipta Pantas for a purchase consideration of RM78,637,361 satisfied via the issuance of 157,274,722 new CPB Shares at par to Mokhtar Bin Hashim and Cipta Pantas, in the following manner:

| Vendors | No. of CSB Shares acquired | % of share capital | Purchase consideration [^] RM | No. of existing CPB Shares received * | No. of new CPB Shares received |
|--------------------|----------------------------|--------------------|--|---------------------------------------|--------------------------------|
| Mokhtar Bin Hashim | 490,000 | 49.00 | 38,532,307 | 20 | 77,064,614 |
| Cipta Pantas | 510,000 | 51.00 | 40,105,054 | 20 | 80,210,108 |
| | 1,000,000 | 100.00 | 78,637,361 | 40 | 157,274,722 |

Notes:

[^] The total purchase consideration of RM78,637,361 for the entire equity interest in CSB was based on the audited net assets ("NA") of CSB as at 30 June 2013 of RM78,637,397.

* Prior to the implementation of the Acquisitions, the issued and paid-up share capital of CPB is RM20 comprising 40 CPB Shares. The existing 40 CPB Shares were held by Mazhar Bin Palil and Muhammad Hatta Bin Noah, each holding 20 CPB Shares. Consequent to the implementation of the Acquisitions, the said 40 CPB Shares were transferred to Mokhtar Bin Hashim and Cipta Pantas on an equal basis. Thereafter, Mazhar Bin Palil and Muhammad Hatta Bin Noah ceased to be shareholders of CPB.

As a result of the implementation of the Acquisition of CSB, 77,064,614 new CPB Shares were issued to Mokhtar Bin Hashim and 80,210,108 new CPB Shares were issued to Cipta Pantas. Thereafter, CSB became a wholly-owned subsidiary of CPB.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

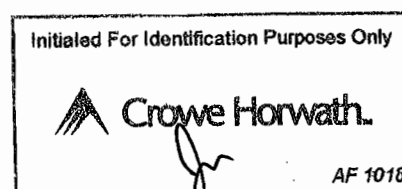
The listing scheme comprises the following:-

(i) Acquisition of CSB (Cont'd)

Upon receipt of the 80,210,108 new CPB Shares by Cipta Pantas pursuant to the Acquisition of CSB, Cipta Pantas proceeded to distribute 39,500,000 new CPB Shares received to its shareholders, namely Tan Sri Dato' Kamaruzzaman Bin Shariff and Platinum Castle Sdn Bhd in the following manner ("Distribution of CPB Shares"):

| | No. of CPB Shares | % |
|--|----------------------|----------------|
| New CPB Shares received by Cipta Pantas under the Acquisition of CSB | 80,210,128 | 100.00 |
| Less: Distribution of CPB Shares to: | | |
| (i) Tan Sri Dato' Kamaruzzaman Bin Shariff | (7,000,000) | (8.73) |
| (ii) Platinum Castle Sdn Bhd | (32,500,000) | (40.52) |
| Total shares distributed | (39,500,000) | (49.25) |
| CPB Shares retained in Cipta Pantas | 40,710,128 | 50.75 |

Upon completion of the Distribution of CPB Shares, the remaining 40,710,128 CPB Shares were retained by Cipta Pantas.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

The listing scheme comprises the following (Cont'd):-

(ii) Acquisition of Carimin Engineering Services Sdn Bhd ("Carimin Engineering")

Prior to the implementation of the Acquisition of Carimin Engineering, the shareholders of Carimin Engineering were CSB (70.0% equity interest) and Shatar Bin Abdul Hamid (30.0% equity interest). The acquisition of Carimin Engineering involves the acquisition of 30% of the equity interest in Carimin Engineering comprising 1,500,000 ordinary shares of RM1.00 each in Carimin Engineering ("Carimin Engineering Shares") by CPB from Shatar Bin Abdul Hamid for a purchase consideration of RM7,951,619 satisfied via the issuance of 15,903,238 new CPB Shares at par, in the manner below:

| Vendor | No. of Carimin Engineering Shares acquired | % of share capital | Purchase consideration RM[^] | No. of CPB Shares issued |
|------------------------|---|---------------------------|--|---------------------------------|
| Shatar Bin Abdul Hamid | 1,500,000 | 30.00 | 7,951,619 | 15,903,238 |

Note:

[^] The total purchase consideration of RM7,951,619 for the 30% equity interest in CSB was based on the 30% of the audited NA of Carimin Engineering as at 30 June 2013 of RM7,951,619.

As result of the implementation of the Acquisition of Carimin Engineering, 15,903,238 new CPB Shares were issued to Shatar Bin Abdul Hamid. Thereafter, Carimin Engineering became a wholly-owned subsidiary of CPB whereby 70% equity interest is held via CSB and 30% equity interest is held via CPB.

(hereinafter referred to as the "Acquisitions").

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

The listing scheme comprises the following (Cont'd):-

(ii) Acquisition of Carimin Engineering Services Sdn Bhd ("Carimin Engineering") (Cont'd)

The total purchase consideration of RM86,588,980 for the Acquisitions was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of CSB and Carimin Engineering as at 30 June 2013.

Details of the purchase consideration are as follows:

| Company | % of equity interest acquired | Audited NA as at 30 June 2013 RM | Share of audited NA as at 30 June 2013 RM | Purchase consideration RM |
|---------------------|-------------------------------|-------------------------------------|--|------------------------------|
| CSB | 100.00% | 78,637,397 | 78,637,397 | 78,637,361 |
| Carimin Engineering | 30.00% | 26,505,398 | 7,951,619 | 7,951,619 |
| | | <u>105,142,795</u> | <u>86,589,016</u> | <u>86,588,980</u> |

The Acquisitions was completed on 1 July 2014. Thereafter, CSB and Carimin Engineering became CPB's wholly-owned subsidiaries.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

The listing scheme comprises the following (Cont'd):-

(iii) Group re-organisation

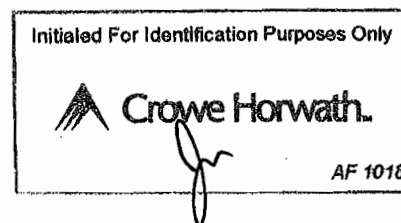
On 9 December 2013, CPB had entered into a Share Sale Agreement with its wholly-owned subsidiary, CSB to acquire the following companies from CSB:

| Companies | Equity interest acquired % | Issued and paid-up share capital RM | Purchase consideration RM |
|---|---|--|--|
| Carimin Resources Services Sdn Bhd ("Carimin Resources") | 100 | 10 | 10 |
| Carimin Corporate Services Sdn Bhd ("Carimin Corporate") | 100 | 10 | 10 |
| Carimin Equipment Management Sdn Bhd ("Carimin Equipment") | 100 | 1,000,000 | 1,000,000 |
| Carimin Engineering | 70 | 3,500,000 | 3,500,000 |
| Carimin Marine Services Sdn Bhd ("Carimin Marine") | 100 | 1,000,000 | 1,000,000 |
| Total | | | <u>5,500,020</u> |

The effective purchase consideration for the acquisition of these subsidiaries is based on the respective subsidiaries' issued and paid-up share capital, the rationale being that there is no change in the effective control of these subsidiaries as a result of the re-organisation of the Group

The Group re-organisation was completed on 1 July 2014. Thereafter, these companies became CPB's direct subsidiaries.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



CPB GROUP

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation (Cont'd)

The listing scheme comprises the following (Cont'd):-

(iv) Public Issue

Pursuant to the Public Issue, CPB shall issue 60,700,000 new shares at an issue price of RM1.10 ("IPO Price") to be allocated in the following manner:

- (a) 11,694,000 new shares will be made available for application by the Malaysian Public, to be allocated via balloting;
- (b) 3,000,000 new shares made available to CPB's eligible Directors, employees and persons who have contributed to the success of the Group; and
- (c) 46,006,000 new shares by way of private placement to identified investors.

The new shares shall rank *pari passu* in all respects with CPB existing issued Shares including the voting rights and will be entitled to all rights and dividends and other distributions, the entitlement date of which are subsequent thereof.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM86,589,000 comprising 173,178,000 Shares to RM116,939,000 comprising 233,878,000 Shares.

(v) Offer for Sale

Concurrent with CPB's Listing, the Offerors, namely Mokhtar Bin Hashim and Platinum Castle Sdn Bhd will undertake an offer for sale of 5,890,000 Shares at the IPO Price, representing approximately 2.52% of the enlarged issued and paid-up share capital to identified investors.

(vi) Listing

Upon completion of the IPO, the Company's entire enlarged issued and paid-up share capital of RM116,939,000 comprising 233,878,000 Shares shall be listed on the Main Market of Bursa Securities.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

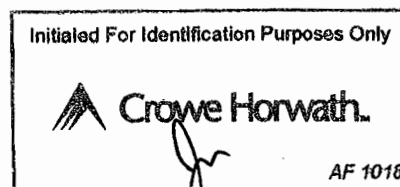
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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CPB GROUP**

| | Audited | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Revenue | 158,422 | 368,868 | 325,787 | 245,575 |
| Cost of sales | (137,168) | (330,485) | (285,972) | (202,491) |
| Gross profit ("GP") | 21,254 | 38,383 | 39,815 | 43,084 |
| Other income | 217 | 592 | 1,773 | 1,748 |
| | 21,471 | 38,975 | 41,588 | 44,832 |
| Administrative expenses | (6,995) | (12,962) | (14,243) | (12,798) |
| Other expenses | (1,747) | (2,700) | (2,016) | (1,930) |
| Profit from operations | 12,729 | 23,313 | 25,329 | 30,104 |
| Finance costs | (90) | (369) | (315) | (246) |
| Share of profit of joint venture, net of tax | - | 347 | 1,102 | 791 |
| Profit before taxation ("PBT") | 12,639 | 23,291 | 26,116 | 30,649 |
| Depreciation of property, plant and equipment | 1,313 | 2,195 | 2,422 | 3,380 |
| Interest expense | 90 | 685 | 694 | 1,656 |
| Interest income | (131) | (335) | (281) | (502) |
| Earning before interest, taxation and depreciation | 13,911 | 25,836 | 28,951 | 35,183 |
| Depreciation of property, plant and equipment | (1,313) | (2,195) | (2,422) | (3,380) |
| Interest expense | (90) | (685) | (694) | (1,656) |
| Interest income | 131 | 335 | 281 | 502 |
| PBT | 12,639 | 23,291 | 26,116 | 30,649 |
| Tax expense | (3,109) | (6,487) | (6,613) | (8,751) |
| Profit after taxation ("PAT") | 9,530 | 16,804 | 19,503 | 21,898 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the financial year | 9,530 | 16,804 | 19,503 | 21,898 |
| PAT/Total comprehensive income for the financial year attributable to:- | | | | |
| - Owners of the Company | 8,312 | 13,984 | 17,072 | 17,182 |
| - Non-controlling interests | 1,218 | 2,820 | 2,431 | 4,716 |
| | 9,530 | 16,804 | 19,503 | 21,898 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CPB GROUP (CONT'D)**

| | Audited | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| GP margin (%) | 13.42 | 10.41 | 12.22 | 17.54 |
| PBT margin (%) | 7.98 | 6.31 | 8.02 | 12.48 |
| PAT margin (%) | 6.02 | 4.56 | 5.99 | 8.92 |
| Effective tax rate (%) | 24.60 | 27.85 | 25.32 | 28.55 |
| Interest coverage (times) | 141.43 | 35.01 | 38.63 | 19.51 |
| Number of ordinary shares assumed in issue of RM0.50 each ('000) ^ | 233,878 | 233,878 | 233,878 | 233,878 |
| Gross earnings per share ("EPS") ^ (Sen) | 5.40 | 9.96 | 11.17 | 13.10 |
| Net EPS ^ (Sen) | 4.07 | 7.18 | 8.34 | 9.36 |
| Diluted net EPS (sen) | 4.07 | 7.18 | 8.34 | 9.36 |

Note:-

^ Based on the number of shares in issue after Acquisitions, Group-reorganisation, Public Issue and Offer for Sale.

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11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

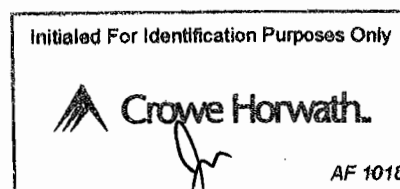
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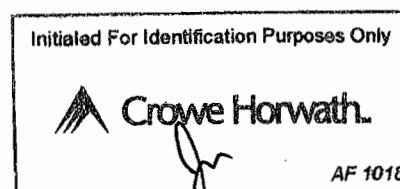
CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPB GROUP**

| | Note | CPB Audited as at 30 June 2014 RM'000 | Pro Forma I After Acquisitions and Group re-organisation RM'000 | Pro Forma II After Pro Forma I and Public Issue RM'000 | Pro Forma III After Pro Forma II and Utilisation of Proceeds RM'000 |
|---|------|--|--|---|--|
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 3.4 | - | 53,065 | 53,065 | 157,583 |
| Investment in joint venture | 3.5 | - | 3,640 | 3,640 | 3,640 |
| Other investments | 3.6 | - | 50 | 50 | 50 |
| | | - | 56,755 | 56,755 | 161,273 |
| CURRENT ASSETS | | | | | |
| Amount owing by contract customers | 3.7 | - | 12,157 | 12,157 | 12,157 |
| Trade receivables | 3.8 | - | 78,639 | 78,639 | 78,639 |
| Other receivables, deposits and prepayments | 3.9 | 880 | 21,093 | 21,093 | 21,093 |
| Amount owing by joint venture | 3.10 | - | 2,130 | 2,130 | 2,130 |
| Tax recoverable | 3.11 | - | 20 | 20 | 20 |
| Fixed deposits with licensed banks | 3.12 | - | 17,125 | 17,125 | 17,125 |
| Cash and bank balances | 3.13 | 3 | 16,564 | 83,334 | 24,514 |
| | | 883 | 147,728 | 214,498 | 155,678 |
| TOTAL ASSETS | | 883 | 204,483 | 271,253 | 316,951 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Share capital | 3.14 | # | 86,589 | 116,939 | 116,939 |
| Share premium | 3.15 | - | - | 36,420 | 35,510 |
| Merger deficit | 3.16 | - | (77,637) | (77,637) | (77,637) |
| (Accumulated losses)/Retained profits | 3.17 | (41) | 98,455 | 98,455 | 95,865 |
| Capital reserve | 3.18 | - | 17 | 17 | 17 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | (41) | 107,424 | 174,194 | 170,694 |
| NON - CONTROLLING INTERESTS | | - | - | - | - |
| TOTAL EQUITY | | (41) | 107,424 | 174,194 | 170,694 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPB GROUP (CONT'D)**

| | Note | CPB Audited as at 30 June 2014 RM'000 | Pro Forma I After Acquisitions and Group re-organisation RM'000 | Pro Forma II After Pro Forma I and Public Issue RM'000 | Pro Forma III After Pro Forma II and Utilisation of Proceeds RM'000 |
|---|------|--|--|---|--|
| NON-CURRENT LIABILITIES | | | | | |
| Long-term borrowings | 3.19 | - | 33,210 | 33,210 | 89,905 |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 3.20 | - | 11,778 | 11,778 | 11,778 |
| Other payables and accruals | 3.21 | 13 | 39,437 | 39,437 | 39,437 |
| Amount owing to a related party | 3.22 | 911 | - | - | - |
| Dividend payable | 3.23 | - | 210 | 210 | 210 |
| Provision for taxation | 3.24 | - | 3,735 | 3,735 | 3,735 |
| Short-term borrowings | 3.25 | - | 7,497 | 7,497 | - |
| Bank overdrafts | 3.26 | - | 1,192 | 1,192 | 1,192 |
| | | 924 | 63,849 | 63,849 | 56,352 |
| TOTAL LIABILITIES | | 924 | 97,059 | 97,059 | 146,257 |
| TOTAL EQUITY AND LIABILITIES | | 883 | 204,483 | 271,253 | 316,951 |
| <i>Current ratio (times)</i> | | NA | 2.31 | 3.36 | 2.76 |
| <i>Borrowings (All interest bearing debts) (RM'000)</i> | | NA | 41,899 | 41,899 | 91,097 |
| <i>Gearing ratio</i> | | NA | 0.39 | 0.24 | 0.53 |
| <i>Net assets ("NA") (RM'000)</i> | | (41) | 107,424 | 174,194 | 170,694 |
| <i>NA per ordinary share (sen)</i> | | (10,250) | 0.62 | 0.74 | 0.73 |

- RM20 comprising 40 ordinary shares of RM0.50 each.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPB GROUP (CONT'D)****3.1 Pro Forma I**

Pro Forma I incorporates the effects of Acquisitions of CSB and Carimin Engineering and the Group-re-organisation as set out in Section 1.2 of this report.

The results were consolidated using the merger method. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is accounted for as a merger reserve or deficit; and

3.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the Public Issue of 60,700,000 new CPB Shares, at a Public Issue price of RM1.10 per CPB Share, payable in full on application.

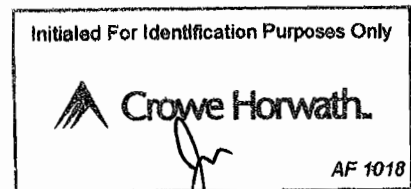
3.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the utilisation of proceeds.

The proceeds will be utilised as follows:-

| | RM'000 |
|---------------------------------------|---------------|
| Purchase of offshore support vessel ^ | 35,320 |
| Development of minor fabrication yard | 12,000 |
| Repayment of bank borrowings # | 8,000 |
| General working capital | 7,950 |
| Estimated listing expenses * | 3,500 |
| | 66,770 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



CPB GROUP

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

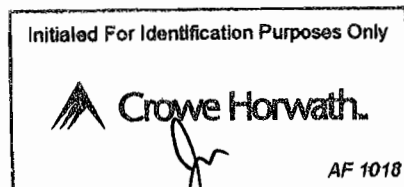
3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPB GROUP (CONT'D)

The proceeds will be utilised as follows (Cont'd):-

Notes:-

- [^] - *The purchase of Carimin Acacia, an Accommodation Workboat ("AWB") cost approximately RM95,000,000. The Group has paid RM2,482,000 as deposit and plans to utilise RM35,320,000 of the IPO proceeds for vessel investment. The balance of the purchase price to be financed via bank borrowings.*
- [#] - *Repayment of bank borrowings allows the Group to optimise their financial position and reduce interest cost by between RM240,000 to RM400,000 per year based on effective interest rates ranging from 3.00% to 5.00% per annum.*
- ^{*} - *The estimated listing expenses arising from the issuance of new CPB Shares pursuant to the IPO amounting to RM910,000 is to be written off against the share premium under Section 60 of the Companies Act 1965. The balance of the estimated listing expenses of RM2,590,000 will be expensed off against the Statements of Profit or Loss and Other Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.*

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11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.4 Property, plant and equipment**

| | RM'000 |
|--|----------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | 53,065 |
| As per Pro Forma I/II | 53,065 |
| Purchase of offshore support vessel | 92,518 |
| Development of minor fabrication yard | 12,000 |
| As per Pro Forma III | 157,583 |

| | At Cost RM'000 | Accumulated Depreciation RM'000 | Accumulated Impairment Losses RM'000 | Net Book Value RM'000 |
|--|-------------------------------|--|---|--------------------------------------|
| Freehold land | 225 | - | - | 225 |
| Leasehold land | 440 | (89) | - | 351 |
| Buildings | 9,820 | (1,868) | - | 7,952 |
| Furniture and fittings | 542 | (432) | - | 110 |
| Operation equipment | 2,764 | (2,170) | (350) | 244 |
| Operation tools and equipment | 4,374 | (2,734) | - | 1,640 |
| Office equipment | 504 | (364) | (125) | 15 |
| Motor vehicles | 1,303 | (1,167) | - | 136 |
| Plant and equipment | 923 | (230) | - | 693 |
| Renovation | 1,257 | (393) | (30) | 834 |
| Vessel | 39,521 | (1,187) | - | 38,334 |
| Vessel-in-progress ^ | 2,482 | - | - | 2,482 |
| Others | 1,092 | (888) | (155) | 49 |
| As per Pro Forma I/II | 65,247 | (11,522) | (660) | 53,065 |
| Purchase of offshore support vessel | 92,518 | - | - | 92,518 |
| Development of minor fabrication yard | 12,000 | - | - | 12,000 |
| As per Pro Forma III | 169,765 | (11,522) | (660) | 157,583 |

Notes:-

^ - represents deposit paid for Carimin Acacia classified as vessel-in-progress.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.5 Investment in joint venture****RM'000**

As at 30 June 2014

-

Acquisitions and Group re-organisation

3,640

As per Pro Forma I/II/III**3,640****3.6 Other investments****RM'000**

As at 30 June 2014

-

Acquisitions and Group re-organisation

50

As per Pro Forma I/II/III**50****3.7 Amount owing by contract customers****RM'000**

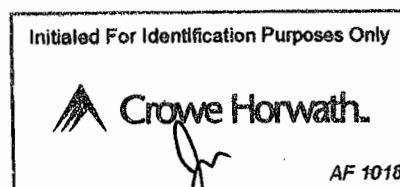
As at 30 June 2014

-

Acquisitions and Group re-organisation

12,157

As per Pro Forma I/II/III**12,157**

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.8 Trade receivables****RM'000**

As at 30 June 2014

-

Acquisitions and Group re-organisation

78,639

As per Pro Forma I/II/III**78,639****3.9 Other receivables, deposits and prepayments****RM'000**

As at 30 June 2014

880

Acquisitions and Group re-organisation

20,213

As per Pro Forma I/II/III**21,093****3.10 Amount owing by joint venture****RM'000**

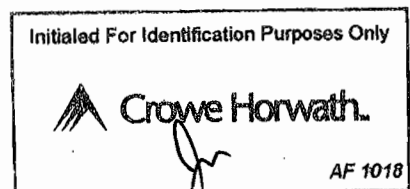
As at 30 June 2014

-

Acquisitions and Group re-organisation

2,130

As per Pro Forma I/II/III**2,130**

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.11 Tax recoverable****RM'000**

As at 30 June 2014

-

Acquisitions and Group re-organisation

20

As per Pro Forma I/II/III

20

3.12 Fixed deposits with licensed banks**RM'000**

As at 30 June 2014

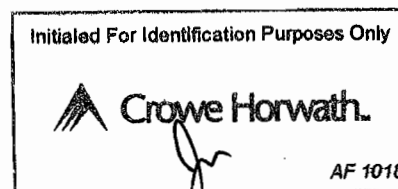
-

Acquisitions and Group re-organisation

17,125

As per Pro Forma I/II/III

17,125

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

CPB GROUP

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)**3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.13 Cash and bank balances**

| | RM'000 |
|---|---------------|
| As at 30 June 2014 | 3 |
| Acquisitions and Group re-organisation | 16,561 |
| As per Pro Forma I | 16,564 |
| Proceeds from Public Issue | 66,770 |
| As per Pro Forma II | 83,334 |
| Utilisation of proceeds: | |
| - purchase of offshore support vessel | (35,320) |
| - development of minor fabrication yard | (12,000) |
| - repayment of bank borrowings | (8,000) |
| - estimated listing expenses | (3,500) |
| As per Pro Forma III | 24,514 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPB GROUP (CONT'D)****3.14 Share capital**

The movements in the issued and paid-up share capital of CPB Group are as follows:-

| | Number of Ordinary Shares (^{'000}) | Amount of Share Capital RM ^{'000} |
|--|--|--|
| As at 30 June 2014 | ^ | * |
| Ordinary shares issued pursuant to the Acquisitions | 173,178 | 86,589 |
| As per Pro Forma I | 173,178 | 86,589 |
| Public Issue | 60,700 | 30,350 |
| As per Pro Forma II/III | 233,878 | 116,939 |

Notes:-

^ - represents 40 shares

* - represents RM20

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPB GROUP (CONT'D)****3.15 Share premium**

| | RM'000 |
|--|--------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | - |
| As per Pro Forma I | - |
| Public Issue | 36,420 |
| As per Pro Forma II | 36,420 |
| Estimated listing expenses * | (910) |
| As per Pro Forma III | 35,510 |

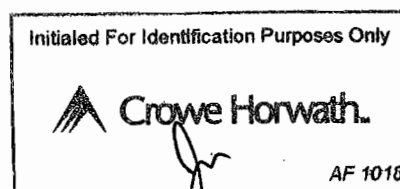
The movements in the share premium of CPB Group are as follows:-

Note:-

* - *The estimated listing expenses arising from the issuance of new CPB Shares pursuant to the IPO amounting to RM910,000 is to be written off against the share premium under Section 60 of the Companies Act 1965. The balance of the estimated listing expenses of RM2,590,000 will be expensed off against the Statements of Profit or Loss and Other Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.*

3.16 Merger deficit

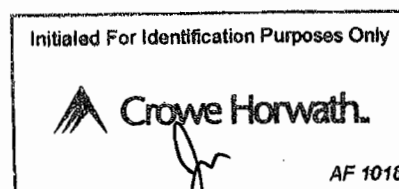
The merger deficit arose from the acquisition of CSB Group using the merger method of accounting.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.17 (Accumulated losses)/Retained profits**

| | RM'000 |
|--|---------------|
| As at 30 June 2014 | (41) |
| Acquisitions and Group re-organisation: | |
| - retained profits from CSB | 93,990 |
| - remaining equity in Carimin Engineering from non-controlling interests | 4,506 |
| As per Pro Forma I/II | <u>98,455</u> |
| Estimated listing expenses | (2,590) |
| As per Pro Forma III | <u>95,865</u> |

3.18 Capital reserve

| | RM'000 |
|--|---------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | 17 |
| As per Pro Forma I/II/III | <u>17</u> |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.19 Long-term borrowings****RM'000**

| | |
|---|---------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation: | |
| - hire purchase payables | 1,199 |
| - term loans | 32,011 |
| As Per Pro Forma I/II | 33,210 |
| Drawdown of term loan | 57,198 |
| Repayment of term loans | (503) |
| As per Pro Forma III | 89,905 |

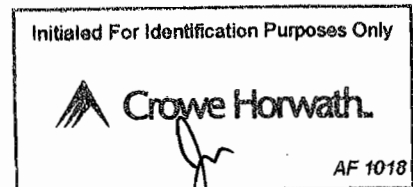
3.20 Trade payables**RM'000**

| | |
|--|---------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | 11,778 |
| As per Pro Forma I/II/III | 11,778 |

3.21 Other payables and accruals**RM'000**

| | |
|--|---------------|
| As at 30 June 2014 | 13 |
| Acquisitions and Group re-organisation | 39,424 |
| As per Pro Forma I/II/III | 39,437 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



CPB GROUP

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)

3.22 Amount owing to a related party

| | RM'000 |
|--|---------------|
| As at 30 June 2014 | 911 |
| Acquisitions and Group re-organisation | (911) |
| | - |
| As per Pro Forma I/II/III | - |

3.23 Dividend payable

| | RM'000 |
|--|---------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | 210 |
| | 210 |
| As per Pro Forma I/II/III | 210 |

3.24 Provision for taxation

| | RM'000 |
|--|---------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | 3,735 |
| | 3,735 |
| As per Pro Forma I/II/III | 3,735 |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CBP GROUP (CONT'D)****3.25 Short-term borrowings**

| | RM'000 |
|---|--------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation: | |
| - invoice financing | 2,300 |
| - revolving credits | 60 |
| - hire purchase payables | 802 |
| - term loans | 4,335 |
| | <hr/> |
| As per Pro Forma I/II | 7,497 |
| Repayment of: | |
| - invoice financing | (2,300) |
| - revolving credits | (60) |
| - hire purchase payables | (802) |
| - term loans | (4,335) |
| | <hr/> |
| As per Pro Forma III | - |
| | <hr/> |

3.26 Bank overdrafts

| | RM'000 |
|--|--------------|
| As at 30 June 2014 | - |
| Acquisitions and Group re-organisation | 1,192 |
| | <hr/> |
| As per Pro Forma I/II/III | 1,192 |
| | <hr/> |

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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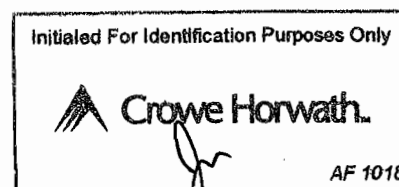
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CPB GROUP**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****4. CONSOLIDATED STATEMENT OF CASH FLOWS OF CPB GROUP FOR THE FYE 30 JUNE 2014**

| | RM'000 |
|---|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Profit before taxation | 28,059 |
| Adjustments for:- | |
| Depreciation of property, plant and equipment | 3,380 |
| Gain on disposal of property, plant and equipment | (5) |
| Impairment losses on: | |
| - trade receivables | 425 |
| - property, plant and equipment | 160 |
| Interest income | (502) |
| Interest expense | 1,656 |
| Property, plant and equipment written off | # |
| Listing expenses | 2,590 |
| Share of profit of joint venture | (791) |
| Unrealised gain on foreign exchange | (18) |
| Operating profit before working capital changes | 34,954 |
| Decrease in amount owing by contract customers | 17,720 |
| Increase in trade and other receivables | (36,919) |
| Decrease in trade and other payables | (1,361) |
| CASH FROM OPERATIONS | 14,394 |
| Interest received | 502 |
| Interest paid | (1,656) |
| Tax paid | (7,338) |
| NET CASH FROM OPERATING ACTIVITIES CARRIED FORWARD | 5,902 |

Notes:-

less than RM 1,000

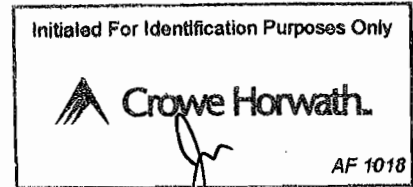
11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**CPB GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****4. CONSOLIDATED STATEMENT OF CASH FLOWS OF CPB GROUP FOR THE FYE 30 JUNE 2014 (CONT'D)**

| | RM'000 |
|--|----------------------|
| NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD | 5,902 |
| CASH FLOWS FOR INVESTING ACTIVITIES | |
| Purchase of property, plant and equipment | (56,643) |
| Proceeds from disposal of property, plant and equipment | 5 |
| NET CASH FOR INVESTING ACTIVITIES | <u>(56,638)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Dividend paid | (850) |
| Placement of pledged deposits | (937) |
| Proceeds from issuance of shares pursuant to public issue | 66,770 |
| Payment of listing expenses | (3,500) |
| Repayment of invoice financing | (3,984) |
| Repayment of hire purchase obligations | (749) |
| Repayment of term loans | (6,458) |
| NET CASH FROM FINANCING ACTIVITIES | <u>50,292</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (444) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | <u>23,766</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | <u><u>23,322</u></u> |
| CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: | |
| Fixed deposits with licensed banks | 17,125 |
| Cash and bank balances | 24,514 |
| Bank overdrafts | (1,192) |
| | <u>40,447</u> |
| Less: Fixed deposits pledged to licensed banks | (17,125) |
| | <u><u>23,322</u></u> |

Note:

The Pro Forma Consolidated Statement of Cash Flows of CPB Group has been adjusted to reflect events stated in Section 3.1 of this report and after taking into account the proceeds from the Public Issue and Utilisation of Proceeds.

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **12 SEP 2014**

On behalf of the Board of Directors,

A large, stylized handwritten signature in black ink.

Mokhtar Bin Hashim
DIRECTOR

A smaller, stylized handwritten signature in black ink.

Shatar Bin Abdul Hamid
DIRECTOR

11. PRO FORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**11.3 CAPITALISATION AND INDEBTEDNESS**

The following information shall be read in conjunction with the Reporting Accountants' letter on pro forma consolidated financial information and Accountants' Report set out in Sections 11.2 and 13 of this Prospectus.

The following table shows our Group's cash and cash equivalents, capitalisation and indebtedness based on our pro forma financial position as at 30 June 2014, and as adjusted for the net proceeds from our IPO and proposed utilisation of the proceeds from our Public Issue:

| | <-----Pro forma Group -----> | |
|--|------------------------------|---|
| | As at 30 June 2014 | After the Public Issue and utilisation of proceeds |
| | RM'000 | RM'000 |
| Cash and bank balances | 16,564 | 24,514 |
| Fixed deposits with licensed banks | 17,125 | 17,125 |
| Bank overdrafts | (1,192) | (1,192) |
| | 32,497 | 40,447 |
| Less: Fixed deposits pledged with licensed banks | (17,125) | (17,125) |
| Total cash and cash equivalents | 15,372 | 23,322 |
| Indebtedness | | |
| <i>Current</i> | | |
| Invoice financing | 2,300 | - |
| Revolving credits | 60 | - |
| Hire purchase payables | 802 | - |
| Term loans | 4,335 | - |
| Bank overdrafts | 1,192 | 1,192 |
| <i>Non-current</i> | | |
| Hire purchase payables | 1,199 | 1,199 |
| Term loans | 32,011 | 88,706 |
| Total indebtedness | 41,899 | 91,097 |
| Shareholders' equity | 107,424 | 170,694 |
| Total capitalisation and indebtedness | 164,695 | 285,113 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management discussion and analysis of the audited results of our Group for the FYE 2011, 2012, 2013 and 2014 should be read in conjunction with our pro forma consolidated financial information set out in Section 11 of this Prospectus and the Accountants' Report included in Section 13 of this Prospectus.

This discussion and analysis contains data derived from the audited financial statements of our Group as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in the forward looking statements. Factor that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set in Section 4 of this Prospectus.

12.1 OVERVIEW OF OUR OPERATIONS

12.1.1 Principal activities

Our Group's business activities centre on supporting the offshore oil and gas industry in Malaysia. We primarily provide offshore hook up and commissioning, production platform system maintenance and upgrading services including minor fabrication services. The other business units within our Group include manpower supply and equipment rental services. We are also involved in the vessel business through our subsidiary, Carimin Airis, which owns an AHTS vessel and through our equity interest in SK Offshore, an AWB. In March 2014, we had entered into a Memorandum of Agreement to acquire an additional AWB, namely Carimin Acacia. Carimin Acacia is scheduled for delivery in June 2015.

In respect of revenue generation, it mainly streams from providing supporting products and services to the offshore oil and gas industry, more specifically derived from providing offshore hook up and commissioning, production platform system maintenance and upgrading, manpower supply, and minor fabrication services.

In preparation for our Listing, we had completed the Acquisitions which involved CPB acquiring 100% equity interest in CSB and 30% equity interest in Carimin Engineering (not owned by CSB) to form our Group on 1 July 2014. Further details of the Acquisitions and our Group's re-organisation are set out in Section 5.3 of this Prospectus.

The management discussion and analysis of financial condition and results of operations were prepared based on data derived from the audited financial statements for FYE 2011 to FYE 2014 of our Group.

12.1.2 Brief financial history

Our Group's revenue increased from RM158.42 million in FYE 2011 to RM368.87 million in FYE 2012, recorded RM325.79 million in FYE 2013 and reduced to RM245.58 million in FYE 2014. Similarly, our PAT grew from RM9.53 million in FYE 2011 to RM19.51 million in FYE 2013 and recorded RM21.94 million in FYE 2014.

Our GP margin recorded in FYE 2011 and FYE 2012 was 13.42% and 10.41% while in FYE 2013 and FYE 2014, GP margin improved to 12.22% and 17.54% respectively.

In terms of PBT margin, PBT margin recorded in FYE 2011 and FYE 2012 was 7.98% and 6.31% respectively while in FYE 2013 and FYE 2014, our PBT margin improved to 8.02% and 12.50% respectively.

The significant increase in revenue in FYE 2012 was due to the substantial work billings of our Petronas Carigali's contract for the provision of offshore hook up and commissioning of Petronas Carigali facilities for a 2-year period ("Sarawak/Sabah HUC Contract") as compared to FYE 2011. However, in FYE 2013, our Group recorded lower revenue as work orders from

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

the Sarawak/Sabah HUC Contract as Petronas Carigali began to taper down in line with Petronas Carigali's new term master programme for the Peninsular Malaysia HUC Contract.

Our Group recorded lower revenue in FYE 2014 as compared to FYE 2013 due to the slower than anticipated volume of work orders under the Peninsular Malaysia HUC Contract received in the 1st and 2nd quarter of FYE 2014. The major work orders were only received in the 3rd quarter of FYE 2014.

Notwithstanding this, we wish to highlight as set out under Section 6.3.2 of this Prospectus, the Peninsular Malaysia HUC Contract has an approximate work value of RM899.0 million and as at the LPD, work orders amounting to RM92.4 million has been rolled out.

The reduction in margins in FYE 2012 as compared to FYE 2011 was attributed to the gross margin mix of the cost components during our execution of the Sarawak/Sabah HUC Contract, whereby our direct cost component consist mostly of manpower and material costs that had lower gross margin compared to marine services and third-party services. Subsequently in FYE 2013, with improved operational efficiency and better gross margin mix arising from higher concentration of marine services cost component, our Group achieved an improved margin in FYE 2013. The margins further improved in FYE 2014 due to further improved operational efficiency.

Further details of the history and description of our Group's operations are set out in Section 6.1.1 of this Prospectus.

12.1.3 Revenue drivers

Our subsidiary, CSB which is involved in the provision of manpower supply services, has been contributing a consistent stream of revenue and PAT to the Group over the financial years under review.

Since FYE 2012 up to the LPD, Carimin Engineering emerged as the major contributor of revenue and PAT to our Group primarily from providing offshore hook up and commissioning, production platform system maintenance and upgrading services under the Sarawak/Sabah HUC Contract.

Our Board expects Carimin Engineering to maintain as the main revenue and PAT contributor to the CPB Group beyond FYE 2014 with the award of Peninsular Malaysia HUC Contract. The future revenue and PAT contribution from CSB is expected to be maintained.

12.1.4 Recent developments

There were no significant events subsequent to our Group's audited consolidated financial statements for the FYE 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.1.5 Significant factors affecting our business

Section 4 of this Prospectus details a number of risk factors relating to the oil and gas industry. Some of these risk factors have an impact on our Group's revenue and operating profits. The main factors which affect revenues and profits include but are not limited to the following:

(i) Our negotiating position for contracts

Our Group's ability to secure contracts is premise on a combination of our Company's internal competitive strengths and strategic business partners which provides us the competitive edge when negotiating to secure contracts from our customers. These advantages include our experiences, track record, management skills, access to manpower resources, in-house minor fabrication facilities, control of vessel deployments, in-house quality assurance, available banking facilities etc, all of which are set out in Section 6.2 (c) of this Prospectus as our competitive advantages and key strengths.

(ii) Duration of contracts

Our Group's revenue is dependent on the duration of our contracts to ensure sustainability of our financial performance.

Contracts generally consist of long term and short term contracts. The long term contracts are typically awarded on a 3 to 5 years duration while short term contracts are for durations below 3 years. As at the LPD, our subsisting contracts are with the following customers as set out below:

- (a) Offshore hook up and commissioning, production platform system maintenance and upgrading contracts

| Contracts | Duration (years) |
|--|------------------|
| Petronas Carigali - Peninsular Malaysia HUC Contract | 5 years |

- (b) Manpower supply contracts

We currently have a total of 38 manpower supply contracts, majority of these contracts are for a duration of 3 years or longer. Further details of the manpower supply contracts are set out in Section 6.3.2 of this Prospectus.

Based on the contracts above, our management is of the opinion that our Group's financial performance is sustainable for the foreseeable future.

(iii) Scarcity of oil and gas professionals

The provision of oil and gas, offshore hook up and commissioning and installation, geoscience and reservoir engineering support services and project related operations services requires qualified, skilled and experienced technical professionals to perform assigned scope of works.

The number of personnel with the required qualifications and experience in the industry may be limited, due to supply and demand conditions and the competition

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

may be intense at times to acquire their services amongst PSC contractors, related oil and gas industry companies and providers of oil and gas support services.

As at LPD, our in-house database had up-to-date information on approximately 1,000 experienced geoscientists, engineers, technicians, professionals and other personnel.

(iv) Impact on project margins

Our business activities are affected by project margins which are related to direct cost of sales which mainly comprises manpower cost, material cost, marine services and third-party services.

Save for manpower supply services contracts, these cost components depend on the nature of the contracts and our customers are typically based on:

- (i) cost plus method with fixed mark-up to the cost value of work orders to be allocated to pre-approved vendors of our customers; or
- (ii) lump sum method with pre-determined cost value of work orders negotiated with our customers and have no restrictions on vendors selection.

Our Group's cost components in the past 4 financial years are set out as follows:

(a) Manpower cost

| | FYE 2011 | % | FYE 2012 | % | FYE 2013 | % | FYE 2014 | % |
|---------------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|
| | RM'000 | | RM'000 | | RM'000 | | RM'000 | |
| Manpower cost | 105,855 | 77.18 | 168,837 | 51.08 | 133,391 | 46.65 | 98,432 | 48.61 |

Our Group is highly dependent on manpower supply as it is the largest cost component within our direct cost of sales. In FYE 2011, the manpower cost contributed 77.18% of the direct cost of sales due to the significant contribution from its manpower supply services revenue segment. In FYE 2011, the manpower supply services contributed 57.35% to our Group's total revenue. The trend in manpower cost was in tandem with our revenue trend over the financial years under review.

(b) Material cost

| | FYE 2011 | % | FYE 2012 | % | FYE 2013 | % | FYE 2014 | % |
|---------------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|
| | RM'000 | | RM'000 | | RM'000 | | RM'000 | |
| Material cost | 13,155 | 9.58 | 67,051 | 20.28 | 36,744 | 12.84 | 17,528 | 8.65 |

The key materials used by our Group are general tools and fabrication consumables. These materials are used for our minor fabrication yard, and hook up and commissioning operations. The trend in material cost was also in tandem with our revenue trend over the financial years under review.

(c) Marine services

| | FYE 2011 | % | FYE 2012 | % | FYE 2013 | % | FYE 2014 | % |
|-----------------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|
| | RM'000 | | RM'000 | | RM'000 | | RM'000 | |
| Marine services | - | 0.00 | 77,588 | 23.48 | 103,796 | 36.29 | 71,084 | 35.10 |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The key cost component of marine services include the cost of provision of AWB, delivery of materials and completed structures to the offshore platform which are currently supported by our offshore support vessels and third-party vessels.

In FYEs 2012 to 2014, we registered significant increase in costs of marine services due to increase work orders in hook up and commissioning contracts which require marine services.

(d) Third-party services

| | FYE 2011 | % | FYE 2012 | % | FYE 2013 | % | FYE 2014 | % |
|----------------------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|
| | RM'000 | | RM'000 | | RM'000 | | RM'000 | |
| Third-party services | 18,158 | 13.24 | 16,615 | 5.04 | 10,273 | 3.60 | 14,825 | 7.32 |

The third-party services include inspection services, nitrogen leak testing⁽ⁱ⁾, cold tapping⁽ⁱⁱ⁾, cold cutting⁽ⁱⁱⁱ⁾, habitat services^(iv) and post weld heat treatment^(v). These services are sourced from our approved vendors who provide the necessary services for the specific tasks in our work orders. While it is a marginal cost component, it is an essential component to our Group's total cost.

Notes:

- (i) *nitrogen leak testing – test carried out to check for leaks using nitrogen as the test medium*
- (ii) *cold tapping – installation of a nozzle or branch pipe on an existing empty and non-pressurised pipe using a cutting tool without open flame*
- (iii) *cold cutting – is a process of cutting up steel/ metal parts without use of open flames or generating sparks in the process*
- (iv) *habitat services – includes the use of pressurised enclosure made from fire retardant material to contain all hot work welding sparks, grinding sparks and any fire during normal production mode.*
- (v) *post weld heat treatment – refers to the control heating and subsequently control cooling of all completed weld projects for the purpose of reducing weld induced stresses after completion.*

The decrease in this cost component in terms of value and more significantly the percentage from FYE 2011 to 2013 as third-party services were not required due to completion of work orders under the minor fabrication services. In FYE 2014, there is an increase in third-party services cost due to the set-up stages related to the new work orders received under the Peninsular Malaysia HUC Contract.

Further analysis of our key cost components over the FYEs under review is set out in Section 12.3.2 of this Prospectus.

(v) Delays in completion of projects

The profit from an individual project can be affected by a number of factors, some of which are beyond our control. These include, amongst others, the availability of technical data and/or client's confirmation on site specific issues. Our Group has an operating procedure to mitigate delays and cost overruns by facilitating framing sessions to define each project objective and methodology to be adopted.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Our project management team conducts periodical reviews with our clients during the implementation phase of a project. There will also be a monthly progress meetings held with our clients' management to continuously manage our client's expectations, monitor work progress and to be proactive to any anticipated issues that may arise.

(vi) Impact of foreign exchange/interest rates/commodity prices on operating profits

Our revenue is mainly denominated in RM as we perform work within Malaysia. We have business transactions in foreign currency in our normal course of business, which is to mainly purchase materials. Nevertheless, these foreign purchases (denominated in USD) only accounted for 13.78% of our total purchases for the FYE 2014. Hence, our risk exposure to foreign exchange fluctuations is minimal.

Our Group can also manage foreign currency risk by entering into forward exchange contracts utilising forward exchange contracts or opt for a natural hedge mechanism by maintaining foreign currency accounts and use foreign currency inflows to pay for purchases denominated in the respective foreign currencies.

Group's total borrowings as at the FYE 2014 is RM41.90 million with the gearing of 0.39 times. Presently, our effective interest rates range between 3% to 5% and our Board is of the opinion that there is minimal impact of interest rates fluctuation on our operating profits.

As our Group is involved in the provision of services, we are not materially affected by the fluctuation in the commodities prices.

Save as disclosed above, there is no material impact of foreign exchange, interest rates and commodity prices on our historical profits for the past 4 financial years up to FYE 2014.

(vii) Exceptional and extraordinary items

There were no exceptional and extraordinary items for the past 4 financial years under review.

12.2 REVIEW OF OPERATIONS

The following summarises our Group's financial performance for the FYEs 2011, 2012, 2013 and 2014:

| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | 158,422 | 368,868 | 325,787 | 245,575 |
| Cost of sales | (137,168) | (330,485) | (285,972) | (202,491) |
| GP | 21,254 | 38,383 | 39,815 | 43,084 |
| Other income and share of profit | 217 | 939 | 2,875 | 2,539 |
| Operating expenses | (8,742) | (15,662) | (16,254) | (14,691) |
| Profit from operations | 12,729 | 23,660 | 26,436 | 30,932 |
| Finance costs | (90) | (369) | (315) | (246) |
| PBT | 12,639 | 23,291 | 26,121 | 30,686 |
| Taxation | (3,109) | (6,487) | (6,613) | (8,751) |
| PAT | 9,530 | 16,804 | 19,508 | 21,935 |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2.1 Revenue

Our revenue is derived from Malaysia for the past 4 financial years up to FYE 2014 except for:

- (i) In FYE 2012, 0.46% of our revenue was derived from Myanmar;
- (ii) In FYE 2013, 1.21% of our revenue of which 0.84% and 0.37% for manpower contracts was derived from Myanmar and Mozambique, respectively; and
- (iii) In FYE 2014, 3.35% of our revenue of which 1.91% and 1.44% for manpower contracts was derived from Myanmar and Mozambique, respectively.

The revenue analysis of our Group by subsidiaries and by activities for the past 4 financial years from FYEs 2011 to 2014 is set out in the subsections below, and the relevant commentary on such analysis is set out in Section 12.3.1.

12.2.1.1 Analysis of revenue by subsidiaries

The breakdown of the revenue of our Group by subsidiaries is as follows:

| Companies | FYE | | | |
|--|----------------|----------------|----------------|----------------|
| | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 |
| Revenue | | | | |
| CSB | 102,301 | 109,086 | 116,569 | 86,337 |
| Carimin Engineering* | 65,907 | 260,085 | 209,192 | 159,049 |
| Carimin Equipment* | 14 | 1,078 | 1,746 | 2,109 |
| Carimin Corporate* | - | - | - | - |
| Carimin Resources* | - | - | - | - |
| Carimin Marine* | - | 582 | - | - |
| Carimin Airs** | - | - | - | 6,843 |
| | 168,222 | 370,831 | 327,507 | 254,338 |
| Less: Inter – company revenue [^] | 9,800 | 1,963 | 1,720 | 8,763 |
| Total | 158,422 | 368,868 | 325,787 | 245,575 |

Notes:

* Subsidiaries of CSB.

** Subsidiary of Carimin Marine.

[^] The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2.1.2 Analysis of revenue by activities

The breakdown of the revenue by activities is as follows:

| | FYE | | | | | | | |
|---|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | 2011 RM'000 | % | 2012 RM'000 | % | 2013 RM'000 | % | 2014 RM'000 | % |
| Manpower | | | | | | | | |
| - Engineering and exploration | 15,976 | 10.08 | 18,559 | 5.03 | 21,692 | 6.66 | 31,430 | 12.79 |
| - Project development | 56,528 | 35.68 | 66,048 | 17.91 | 81,679 | 25.07 | 54,686 | 22.27 |
| - Production / operations | 18,368 | 11.59 | 24,175 | 6.55 | 13,192 | 4.05 | 42 | 0.02 |
| | 90,872 | 57.35 | 108,782 | 29.49 | 116,563 | 35.78 | 86,158 | 35.08 |
| Offshore hook up and commissioning, production platform system maintenance and upgrading services | 43,931 | 27.73 | 237,190 | 64.30 | 206,011 | 63.23 | 158,928 | 64.72 |
| Minor fabrication services | 23,605 | 14.91 | 22,896 | 6.21 | 3,181 | 0.98 | 120 | 0.05 |
| Equipment rental | 14 | 0.01 | - | - | 32 | 0.01 | 369 | 0.15 |
| Total | 158,442 | 100.00 | 368,868 | 100.00 | 325,787 | 100.00 | 245,575 | 100.00 |

Note:

The above percentage segmentation is based on management estimates, as all the works undertaken is part of the overall contract. Our management estimates are derived from man-hours worked per contract with the indirect overheads proportionately allocated by contract value.

12.2.2 Cost of sales, GP and GP margin

Our Group's GP and GP margins are directly affected by our cost of sales.

Our key cost items for each of our activities are described below:

(a) Manpower supply

The sole cost components for manpower supply are the payroll/salaries and disbursements of the personnel engaged.

The recruitment of manpower is obtained from a list of engineers and other technical personnel primarily from our own database.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(b) Offshore hook up and commissioning, production platform system maintenance and upgrading services

There are 4 key cost components for the offshore hook up and commissioning, production platform system maintenance and upgrading services, which are further elaborated in Section 12.1.5 (iv) above.

(c) Minor fabrication services

For in-house fabrication works, materials and manpower are the key cost components of our minor fabrication services, while in larger fabrication works, we appoint approved contractors.

(d) Equipment rental

The equipment such as welding equipment, air compressor, generator and cargo basket are purchased by Carimin Equipment to be made available for our subsidiary, namely Carimin Engineering as well as our external customers and clients operating nearby our facility.

The analysis of our Group's cost of sales, GP and GP margins by subsidiaries and by activities for the past 4 financial years from FYEs 2011 to 2014 is explained in the subsections below, and the relevant commentary on such analysis is set out in Section 12.3.2.

12.2.2.1 Analysis of cost of sales by subsidiaries

The breakdown of the cost of sales of our Group by subsidiaries is as follows:

| Companies | FYE | | | | | | | |
|-----------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | 2011 | | 2012 | | 2013 | | 2014 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| CSB | 92,002 | 62.60 | 95,089 | 28.60 | 101,134 | 35.15 | 75,021 | 35.51 |
| Carimin Engineering* | 54,966 | 37.40 | 236,965 | 71.28 | 184,790 | 64.23 | 126,497 | 59.88 |
| Carimin Equipment* | - | - | 394 | 0.12 | 1,768 | 0.62 | 2,364 | 1.12 |
| Carimin Corporate* | - | - | - | - | - | - | - | - |
| Carimin Resources* | - | - | - | - | - | - | - | - |
| Carimin Marine* | - | - | - | - | - | - | - | - |
| Carimin Airs** | - | - | - | - | - | - | 7,372 | 3.49 |
| | 146,968 | 100.00 | 332,448 | 100.00 | 287,692 | 100.00 | 211,254 | 100.00 |
| Less: Inter – company cost^ | 9,800 | - | 1,963 | - | 1,720 | - | 8,763 | - |
| Total | 137,168 | 100.00 | 330,485 | 100.00 | 285,972 | 100.00 | 202,491 | 100.00 |

Notes:

* Subsidiaries of CSB.

** Subsidiary of Carimin Marine.

^ The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2.2.2 Analysis of cost of sales by activities

The breakdown of the cost of sales by activities is as follows:

| | FYE | | | | | | | |
|--|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | 2011 | | 2012 | | 2013 | | 2014 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Manpower | 81,218 | 59.22 | 94,930 | 28.72 | 101,133 | 35.37 | 75,021 | 37.05 |
| - Engineering and exploration | 15,168 | 11.06 | 17,087 | 5.17 | 19,609 | 6.86 | 28,240 | 13.95 |
| - Project development | 50,033 | 36.48 | 56,958 | 17.23 | 70,424 | 24.63 | 46,745 | 23.08 |
| - Production / operations | 16,017 | 11.68 | 20,885 | 6.32 | 11,100 | 3.88 | 36 | 0.02 |
| Offshore HUC, production platform system maintenance and upgrading services | 28,217 | 20.57 | 219,969 | 66.56 | 181,316 | 63.40 | 126,848 | 62.64 |
| - Material cost | 11,868 | 8.65 | 66,924 | 20.25 | 36,650 | 12.81 | 17,528 | 8.66 |
| - Manpower cost | 13,761 | 10.03 | 70,537 | 21.34 | 31,387 | 10.98 | 23,411 | 11.56 |
| - Marine services | - | - | 77,588 | 23.48 | 103,796 | 36.29 | 71,084 | 35.10 |
| - Third-party services | 2,588 | 1.89 | 4,920 | 1.49 | 9,483 | 3.32 | 14,825 | 7.32 |
| Minor fabrication services | 27,733 | 20.21 | 15,192 | 4.60 | 1,755 | 0.61 | - | - |
| - Material cost | 1,287 | 0.93 | 127 | 0.03 | 94 | 0.03 | - | - |
| - Manpower cost | 10,876 | 7.93 | 3,370 | 1.02 | 871 | 0.30 | - | - |
| - Third-party services | 15,570 | 11.35 | 11,695 | 3.55 | 790 | 0.28 | - | - |
| Equipment rental | - | - | 394 | 0.12 | 1,768 | 0.62 | 622 | 0.31 |
| Total | 137,168 | 100.00 | 330,485 | 100.00 | 285,972 | 100.00 | 202,491 | 100.00 |

12.2.2.3 Analysis of GP by subsidiaries

The breakdown of the GP of our Group by subsidiaries is as follows:

| Companies | FYE | | | | | | | |
|-----------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | 2011 | | 2012 | | 2013 | | 2014 | |
| | RM'000 | Margin % | RM'000 | Margin % | RM'000 | Margin % | RM'000 | Margin % |
| CSB | 10,299 | 10.07 | 13,997 | 12.83 | 15,435 | 13.24 | 11,316 | 13.11 |
| Carimin Engineering* | 10,941 | 16.60 | 23,120 | 8.89 | 24,402 | 11.67 | 32,552 | 20.47 |
| Carimin Equipment* | 14 | - | 684 | 63.45 | (22) | (1.26) | (255) | (12.09) |
| Carimin Corporate* | - | - | - | - | - | - | - | - |
| Carimin Resources* | - | - | - | - | - | - | - | - |
| Carimin Marine* | - | - | 582 | 100.00 | - | - | - | - |
| Carimin Airis** | - | - | - | - | - | - | (529) | (7.73) |
| | 21,254 | 13.42 | 38,383 | 10.41 | 39,815 | 12.22 | 43,084 | 17.54 |
| Less: Inter – company cost^ | - | - | - | - | - | - | - | - |
| Total | 21,254 | 13.42 | 38,383 | 10.41 | 39,815 | 12.22 | 43,084 | 17.54 |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Notes:

* Subsidiaries of CSB.

** Subsidiary of Carimin Marine.

^ The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

12.2.2.4 Analysis of GP by activities

The breakdown of the GP by activities is as follows:

| | FYE | | | | | | | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | 2011 | | 2012 | | 2013 | | 2014 | |
| | RM'000 | Margin % | RM'000 | Margin % | RM'000 | Margin % | RM'000 | Margin % |
| Manpower | | | | | | | | |
| - Engineering and exploration | 808 | 5.06 | 1,472 | 7.93 | 2,083 | 9.60 | 3,190 | 10.15 |
| - Project development | 6,495 | 11.49 | 9,090 | 13.76 | 11,255 | 13.78 | 7,941 | 14.52 |
| - Production / operations | 2,351 | 12.80 | 3,290 | 13.61 | 2,092 | 15.86 | 6 | 16.67 |
| | 9,654 | 10.52 | 13,852 | 12.73 | 15,430 | 13.24 | 11,137 | 12.93 |
| Offshore hook up and commissioning, production platform system maintenance and upgrading services | 15,714 | 35.77 | 17,221 | 7.26 | 24,695 | 11.99 | 31,022 | 19.52 |
| Minor fabrication services | (4,128) | (17.49) | 7,704 | 33.65 | 1,426 | 44.83 | 1,178 | 981.67 |
| Equipment Rental | 14 | - | (394) | * | (1,736) | * | (253) | (69.02) |
| Total | 21,254 | 13.42 | 38,383 | 10.41 | 39,815 | 12.22 | 43,084 | 17.54 |

Note:

* Not applicable as revenue is generated internally.

12.2.3 Other income and share of profit

The breakdown of the other income from FYE 2011 to FYE 2014 is as follows:

| | FYE | | | | | | | |
|----------------------------------|------------|---------------|------------|---------------|--------------|---------------|--------------|---------------|
| | 2011 | | 2012 | | 2013 | | 2014 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Interest income: | | | | | | | | |
| Fixed deposits | 131 | 60.37 | 335 | 35.67 | 281 | 9.77 | 502 | 19.77 |
| Rental income | 38 | 17.51 | 43 | 4.58 | 83 | 2.89 | - | - |
| Share of profit of joint venture | - | - | 347 | 36.96 | 1,102 | 38.33 | 791 | 31.15 |
| Others | 48 | 22.12 | 214 | 22.79 | 1,409 | 49.01 | 1,246 | 49.08 |
| Total | 217 | 100.00 | 939 | 100.00 | 2,875 | 100.00 | 2,539 | 100.00 |

The relevant commentary on the above analysis is set out in Section 12.3.3.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2.4 Operating expenses and finance costs

The breakdown of our operating expenses and finance costs for the FYEs 2011 to 2014 is as follows:

| | FYE | | | | | | | |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | | 2012 | | 2013 | | 2014 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Bank charges | 277 | 3.14 | 404 | 2.62 | 520 | 3.23 | 365 | 2.44 |
| Advertising and promotion | 142 | 1.61 | - | - | - | - | - | - |
| Depreciation of property, plant and equipment | 416 | 4.71 | 1,815 | 11.83 | 1,353 | 8.42 | 1,062 | 7.11 |
| Directors' remuneration | 447 | 5.06 | 523 | 3.41 | 552 | 3.43 | 554 | 3.71 |
| Entertainment | 17 | 0.19 | 18 | 0.12 | 23 | 0.14 | 41 | 0.27 |
| Finance costs | 90 | 1.02 | 369 | 2.41 | 315 | 1.96 | 246 | 1.65 |
| Insurance | 240 | 2.72 | 389 | 2.54 | 162 | 1.01 | 261 | 1.75 |
| Loss/(Gain) on disposal of property, plant and equipment | 11 | 0.12 | (20) | (0.13) | (8) | (0.05) | 1 | 0.01 |
| Office expenses | 543 | 6.15 | 1,116 | 7.27 | 2,000 | 12.44 | 1,620 | 10.84 |
| Audit fees | 30 | 0.34 | 113 | 0.74 | 120 | 0.75 | 144 | 0.96 |
| Legal and professional fees | 236 | 2.67 | 229 | 1.49 | 639 | 3.98 | 793 | 5.31 |
| Staff costs | 5,415 | 61.31 | 9,472 | 61.74 | 11,210 | 69.75 | 9,183 | 61.47 |
| Travelling and accommodation | 208 | 2.36 | 207 | 1.35 | 234 | 1.46 | 150 | 1.00 |
| Loss/(gain) on forex - realised | 683 | 7.73 | 865 | 5.64 | (1,069) | (6.65) | 415 | 2.78 |
| Loss/(gain) on forex - unrealised | - | - | (238) | (1.55) | (136) | (0.85) | 27 | 0.81 |
| Property, plant and equipment written off | - | - | .* | - | 1 | 0.01 | 1 | 0.01 |
| Rental of premises | 70 | 0.79 | 62 | 0.40 | 152 | 0.95 | 64 | 0.43 |
| Rental of vehicle/yard and others | 7 | 0.08 | 18 | 0.12 | 3 | 0.02 | 10 | 0.07 |
| Total | 8,832 | 100.00 | 15,342 | 100.00 | 16,071 | 100.00 | 14,937 | 100.00 |

Note:

* Represents RM676.

The relevant commentary on the above analysis is set out in Section 12.3.4.

12.2.5 PBT and PBT Margin

The analysis of our Group's PBT and PBT margins by subsidiaries for the past 4 financial years from FYEs 2011 to 2014 is explained in the subsections below, and the relevant commentary on such analysis is set out in Section 12.3.5.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2.5.1 Analysis of PBT by subsidiaries

The breakdown of the PBT of our Group by subsidiaries for the FYE 2011 to FYE 2014 is as follows:

| | FYE | | | |
|---|----------------|----------------|----------------|----------------|
| | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 |
| CSB | 7,457 | 9,744 | 14,938 | 9,384 |
| Carimin Engineering* | 5,393 | 12,815 | 11,119 | 22,116 |
| Carimin Equipment* | (124) | 36 | 116 | (176) |
| Carimin Corporate* | (7) | (13) | 45 | 44 |
| Carimin Resources* | (8) | (12) | (12) | (8) |
| Carimin Marine* | - | 548 | (128) | 4 |
| Carimin Airis** | - | - | (8) | (978) |
| | 12,711 | 23,118 | 26,070 | 30,386 |
| Less: Inter – company cost [^] | 72 | (173) | (51) | (300) |
| | 12,639 | 23,291 | 26,121 | 30,686 |

Notes:

* Subsidiaries of CSB.

** Subsidiary of Carimin Marine.

[^] The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

12.2.5.2 Analysis of PBT margin by subsidiaries

The breakdown of the PBT margin of Group by subsidiaries for the FYE 2011 to FYE 2013 is as follows:

| | FYE | | | |
|---------------------------|-------------|-------------|-------------|--------------|
| | 2011 % | 2012 % | 2013 % | 2014 % |
| CSB | 7.29 | 8.93 | 12.81 | 10.87 |
| Carimin Engineering | 8.18 | 4.93 | 5.32 | 13.91 |
| Carimin Equipment | (885.71) | 3.34 | 6.62 | (8.35) |
| Carimin Corporate | (100.00)* | (100.00)* | (100.00)* | 0.92 |
| Carimin Resources | (100.00)* | (100.00)* | (100.00)* | (100.00)* |
| Carimin Marine | - | 94.08 | (100.00)* | 1.05 |
| Carimin Airis | - | - | (100.00)* | (14.30) |
| Overall PBT margin | 7.98 | 6.31 | 8.02 | 12.50 |

Note:

* A loss before taxation ("LBT") was recorded as the companies incurred mostly administrative expenses for the respective financial years.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2.6 Taxation

The taxation and effective tax rate for the FYE 2011 to FYE 2014 are as follows:

| | FYE | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 |
| Taxation | 3,109 | 6,487 | 6,613 | 8,751 |
| Effective Tax Rate (%) | 25 | 28 | 25 | 29 |
| | | | | |

The relevant commentary on such analysis is set out in Section 12.3.6.

12.3 COMMENTARY ON PAST RESULTS

The commentary on the performance of our Group over the financial years under review, is set out in the subsections below.

12.3.1 Commentary of revenue by activities

Comparison between FYE 2011 and FYE 2010

Our Group's revenue in FYE 2011 decreased marginally by RM3.28 million or 2.0% from RM161.70 million in FYE 2010 to RM158.42 million in FYE 2011.

This was due to the substantial completion of Murphy Oil's hook up and commissioning contract, while minor fabrication services for Malaysia Marine and Heavy Engineering Sdn Bhd ("MMHE") and hook up and commissioning services for Talisman had increased in billings.

(i) Manpower supply services

Manpower supply services posted marginally higher revenue of RM90.87 million as compared to RM90.83 million in FYE 2010, represented an increase of RM0.04 million in revenue. We were able to maintain our revenue for manpower supply services for FYE 2011.

(ii) Hook up and commissioning

Hook up and commissioning posted lower revenue of RM43.93 million as compared to RM53.88 million in FYE 2010, represented a decrease of RM9.95 million or 18.46%.

This was due to reduced billing from Murphy Oil's hook up and commissioning contract being work orders reaching completion. Billing from Murphy Oil reduced by RM23.52 million compared to FYE 2010.

The above decrease in billing was compensated by increased billing in Talisman's hook up and commissioning contracts which increased by RM13.56 million compared to FYE 2010.

(iii) Minor fabrication services

Minor fabrication services posted higher revenue of RM23.61 million as compared to RM17.04 million in FYE 2010, represented an increase of RM6.57 million or 38.55%.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The increase was due mainly to the increased billings for minor fabrication services contract for MMHE which increased by RM7.26 million as compared to FYE 2010.

(iv) Equipment rental

Equipment rental posted higher revenue of RM0.14 million as compared to FYE 2010, being revenue received from the start-up of the equipment rental business.

Comparison between FYE 2012 and FYE 2011

Our Group's revenue in FYE 2012 increased significantly by RM210.45 million or 132.84% from RM158.42 million in FYE 2011 to RM368.87 million in FYE 2012.

This was mainly due to significant increase in billing for work carried out for the Sarawak/Sabah HUC Contract. The manpower supply services segment also contributed positively to the revenue.

(i) Manpower supply services

Manpower supply services posted an increase in revenue of RM108.78 million as compared to RM90.87 million in FYE 2011, represented an increase of RM17.91 million or 19.71% in revenue.

The increase in revenue were mainly due to increased billings to ExxonMobil (by RM11.50 million), HESS (by RM9.93 million), Petronas Carigali (by RM2.22 million), PC Myanmar (Hong Kong) Ltd (by RM1.68 million) and Petrofac (by RM1.30 million) contracts, while there were decreased billings to Sarawak Shell Berhad (by RM3.71 million), Newfield (by RM4.91 million) and Talisman (by RM2.33 million).

(ii) Hook up and commissioning

Hook up and commissioning posted a significant increase in revenue of RM237.19 million as compared to RM43.93 million in FYE 2011, represented a significant increase of RM193.26 million or 439.91%.

Work orders for 3 hook up and commissioning projects namely Bokor, West Lutong and Baram A under the Sarawak/Sabah HUC Contract started in June 2011 and contributed significantly to our revenue.

The increase in revenue were mainly due to increased billings for the Sarawak/Sabah HUC Contract (by RM227.09 million) while there were decreased billings to Talisman (by RM19.42 million), MMHE (by RM1.10 million), Newfield (by RM2.54 million) and Murphy Oil (by RM10.34 million).

(iii) Minor fabrication services

Minor fabrication services posted lower revenue of RM22.90 million as compared to RM23.61 million in FYE 2010, represented a marginal decrease of RM0.71 million or 3%.

The decrease was due mainly to the reduced billings for minor fabrication services contract for MMHE in FYE 2012 as compared to FYE 2011.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(iv) Equipment rental

Our equipment rental business did not generate any revenue for FYE 2012 as we did not lease any equipment to any third-parties during the year.

Comparison between FYE 2013 and FYE 2012

Our Group's revenue in FYE 2013 decreased by RM43.08 million or 11.68% from RM368.87 million in FYE 2012 to RM325.78 million in FYE 2013.

This was mainly due to decrease in billing for work carried out under the Sarawak/Sabah HUC Contract after the fourth quarter of FYE 2012.

(i) Manpower supply services

Manpower supply services posted an increase in revenue of RM116.57 million as compared to RM108.78 million in FYE 2012, represented an increase of RM7.79 million or 7.16% in revenue.

The increase in revenue were mainly due to increase in billings to Petronas Leadership Centre (by RM11.98 million), Petrofac (by RM31.63 million), PC Myanmar (Hong Kong) Ltd (by RM1.06 million) and PC Mozambique (Rovuma Basin) Ltd (by RM1.20 million), while there were decreased billings to ExxonMobil (by RM23.03 million), Petronas Carigali (by RM7.79 million) and HESS (by RM6.64 million).

(ii) Hook up and commissioning

Hook up and commissioning posted a decrease in revenue of RM206.01 million as compared to RM237.19 million in FYE 2012, represented a decrease of RM31.18 million or 13.15%.

The decrease in revenue were mainly due to decreased in billing for the Sarawak/Sabah HUC Contract (by RM31.97 million), Talisman (by RM14.14 million), MMHE (by RM8.76 million), Newfield (by RM1.49 million) as compared to FYE 2012 while the billings contribution from Petrofac amounted to RM5.46 million.

(iii) Minor fabrication services

Minor fabrication services posted lower revenue of RM3.18 million as compared to RM22.90 million in FYE 2012, represented a marginal decrease of RM19.72 million or 86.11%.

The decrease in revenue were mainly due to reduced billings to Talisman (by RM14.14 million), MMHE (by RM8.76 million), Newfield (by RM1.49 million) as compared to FYE 2012 while the billings contribution from Petrofac increased by RM5.46 million.

(iv) Equipment rental

Our equipment rental business generated revenue of RM0.03 million for FYE 2013.

Comparison between FYE 2014 and FYE 2013

Our Group's revenue in FYE 2014 decreased by RM80.20 million or 24.62% from RM325.78 million in FYE 2013 to RM245.58 million in FYE 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

Our Group recorded lower revenue in FYE 2014 as compared to FYE 2013. In the 4th quarter of FYE 2014, the Sarawak/Sabah HUC Contract, which has an approximate work value of RM412 million was at its completion stage. As such, the contribution from the Sarawak/Sabah HUC Contract has decreased as compared to the previous FYE 2013.

In November 2013, Carimin Engineering had entered into the Peninsular Malaysia HUC Contract which has an approximate work value of RM899 million. Notwithstanding that the Peninsular Malaysia HUC Contract was executed in November 2013, the major work orders were only received from Petronas Carigali in the 3rd quarter of FYE 2014. Resulting thereto, the billings for hook up and commissioning decreased in FYE 2014.

In addition to the above, there was an overall decrease in revenue from our manpower supply services division, mainly due to decreased revenue from billings to ExxonMobil and Petronas Carigali as these 2 contracts were completed.

(i) Manpower supply services

Manpower supply services posted a decrease in revenue of RM86.16 million as compared to RM116.57 million in FYE 2013, representing a decrease of RM30.41 million or 26.09% in revenue.

The decrease in revenue for manpower supply services were mainly due to decrease in billings to ExxonMobil (by RM24.35 million), Petronas Carigali (by RM14.16 million) Petronas Leadership Centre (by RM12.15 million), Petrofac (by RM17.38 million) and Malaysia LNG (by RM1.22 million), while there were increased billings to Sarawak Shell Berhad (by RM3.57 million), HESS (by RM2.59 million), PC Myanmar (Hong Kong) Ltd (by RM1.95 million), PC Mozambique (Rovuma Basin) Ltd (by RM2.33 million), Petrofac Energy Development Sdn Bhd (by RM3.40 million) and Newfield (by RM24.74 million).

(ii) Hook up and commissioning

Hook up and commissioning posted a decrease in revenue of RM158.93 million as compared to RM206.01 million in FYE 2013, represented a decrease of RM47.08 million or 22.85%.

The decrease in revenue were mainly due to decreased in billing for the Sarawak/Sabah HUC Contract (by RM101.76 million) as compared to FYE 2013 while there was increased billings to Petrofac (by RM6.81 million) and for the Peninsula Malaysia HUC Contract (by RM47.87 million).

Our Group recorded lower revenue as the Sarawak/Sabah HUC Contract ended in 2014 and as such the contribution from the Sarawak/Sabah HUC Contract has decreased as compared to the previous FYE 2013. In addition, the lower revenue in FYE 2014 was because the major work orders under the Peninsular Malaysia HUC Contract were only received from Petronas Carigali from 3rd quarter of FYE 2014 onwards, which led to slower than anticipated volume of work orders under the Peninsular Malaysia HUC Contract received in the 1st and 2nd quarter of FYE 2014.

(iii) Minor fabrication services

Minor fabrication services posted lower revenue of RM0.12 million as compared to RM3.18 million in FYE 2013, represented a marginal decrease of RM3.06 million or 96.22%.

The decrease in revenue was mainly due to marginal work orders requirement for the minor fabrication services for FYE 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

(iv) Equipment rental

Our equipment rental business generated revenue of RM0.36 million for FYE 2014 being rental of equipment to our customer.

12.3.2 Commentary on cost of sales, GP and GP margin by activities

Comparison between FYE 2011 and FYE 2010

In FYE 2011, our total cost of sales for our Group reduced from RM144.07 million to RM137.17 million in tandem with the decrease in the revenue from RM161.70 million (FYE 2010) to RM158.42 million (FYE 2011). Our overall GP margin increased from 10.94% to 13.42%.

(i) Manpower supply services

Cost of sales for our manpower supply services increased from RM81.04 million in FYE 2010 to RM81.22 million in FYE 2011 while it reported a GP of RM9.79 million in FYE 2010 and RM9.65 million in FYE 2011.

We were able to maintain our cost of sales and GP for manpower supply services for FYE 2011.

(ii) Hook up and commissioning

Cost of sales for hook up and commissioning reduced from RM49.18 million in FYE 2010 to RM28.22 million in FYE 2011, which translated to a higher GP of RM15.71 million (in FYE 2011) as compared to RM4.71 million (in FYE 2010) while GP margins improved from 8.74% (FYE 2010) to 35.77% (FYE 2011).

Our improvement in GP margin was mainly due to the extension of the Talisman's hook up and commissioning contract into FYE 2011 which contributed approximately 50% of the GP in FYE 2011 mainly due to variations in work orders where the cost associated with this project was incurred in FYE 2010.

(iii) Minor fabrication services

Cost of sales for minor fabrication services increased from RM13.85 million in FYE 2010 to RM27.73 million in FYE 2011. During the year, this division suffered a gross loss of RM4.13 million and a gross loss margin of 17.49%.

The deterioration in GP margin was mainly due to the requirement to incur manpower and third party services expenditure for the provision of Onshore Slug Catcher (OSC) project. The expenditure upfront was necessary to support a critical stage of the project which was delayed; with the recovery of the expenditure through billings being secured in subsequent financial years.

(iv) Equipment rental

Our equipment rental did not record any cost of sales in FYE 2011 but recorded a GP of RM0.014 million. The GP margin is negligible in value.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**Comparison between FYE 2012 and FYE 2011**

In FYE 2012, the total cost of sales for our Group increased by RM193.32 million against a higher revenue base of RM368.87 million. However, the GP margin decreased from 13.42% to 10.41%, largely attributable to the lower margins from hook up and commissioning's where GP margins decreased from 35.77% to 7.26%. The decrease in GP margin is set out below.

(i) Manpower supply services

In FYE 2012, cost of sales for our manpower supply services increased from RM81.22 million to RM94.93 million. GP increased to RM13.85 million in FYE 2012 compared to RM9.65 million in FYE 2011, with GP margin improving slightly from 10.52% to 12.73%. The improved GP margin was contributed by economies of scale of larger work orders from the project development segment as well as from the productions/operations segments where there were higher provisions of lower salaried manpower supply which yielded better GP margin in FYE 2012.

(ii) Hook up and commissioning

The cost of sales for hook up and commissioning increased from RM28.22 million in FYE 2011 to RM219.97 million in FYE 2012, with the large work orders being carried out for the Sarawak/Sabah HUC Contract, which correspondingly generated substantial growth in revenue. The cost from these work orders represented 66.56% of the total cost of sales of our Group in FYE 2012.

The work orders from the projects of Baram A, West Lutong and Bokor under the Sarawak/Sabah HUC Contract were mainly concentrated on the cost plus contracts where the GP margin range was fixed. The award of the lump sum contracts were not significant compared to the cost plus contracts in FYE 2012 which resulted in the decrease in the GP margin from 35.77% in FYE 2011 to 7.26% in FYE 2012.

In addition, the high GP Margin of 35.77% from our hook up and commissioning was mainly due to the continuation of the Talisman's hook up and commissioning contract into FYE 2011 which contributed approximately 50% of the GP in FYE 2011 mainly due to variations in work orders where the cost associated with this project was incurred in FYE 2010.

(iii) Minor fabrication services

Cost of sales for minor fabrication services reduced from RM27.73 million in FYE 2011 to RM15.19 million in FYE 2012 while GP improved from a gross loss of RM4.23 million to GP of RM7.70 million in FYE 2012. The GP Margin recorded was 33.65%.

The improvement in GP margin was mainly due to the recovery in billings for manpower and third party services for Onshore Slug Catcher (OSC) project for which the major expenditure incurred in FYE 2011 with the billings being secured in FYE 2012.

(iv) Equipment rental

Our equipment rental recorded cost of sales of RM0.39 million in FYE 2012 and a gross loss of RM0.39 million. During the year, our equipment rental services are entirely from our inter-company sales.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

Comparison between FYE 2013 and FYE 2012

In FYE 2013, the overall cost of sales for our Group decreased from RM330.49 million to RM285.97 million. GP increased slightly from RM38.38 million to RM39.82 million while margins increased correspondingly from 10.41% to 12.22%.

(i) Manpower supply services

In FYE 2013, cost of sales for manpower supply services increased from RM94.93 million to RM101.13 million and its GP increased from RM13.85 million to RM15.43 million in FYE 2013, with GP margin improving slightly from 12.83% to 13.24%. This improvement in margin was contributed by larger work order which came from the project development segment.

(ii) Hook up and commissioning

In FYE 2013, cost of sales for hook up and commissioning decreased to RM181.32 million as compared to RM219.96 million in FYE 2012, with its GP increasing slightly from RM23.12 million in FYE 2012 to RM24.70 million in FYE 2013. GP margin improved from 7.26% in FYE 2012 to 11.99% in FYE 2013.

The decrease in cost of sales is in tandem with the decrease in revenue. The overall improvement in GP and GP margin was due to improved efficiency in managing the vendors' cost for the Sarawak/Sabah HUC Contract in terms of material and equipment utilisation and efficiently managing third-party services vendors. During the year, several work orders were implemented simultaneously. As such, our Group was able to negotiate and received lower pricing from our vendors.

(iii) Minor fabrication services

Cost of sales for minor fabrication services reduced from RM15.19 million in FYE 2012 to RM1.76 million in FYE 2013 and GP reduced from RM7.70 million to RM1.43 million in FYE 2012. The GP Margin recorded was 44.83%.

The improvement in GP margin was mainly due to the balance of the recovery in the balance of the billings for the Onshore Slug Catcher (OSC) project for which the major expenditure incurred in FYE 2011 with the billings completed in FYE 2013.

(iv) Equipment rental

Our equipment rental recorded cost of sales of RM1.77 million in FYE 2012 and a gross loss of RM1.74 million. During the year, our equipment rental services are entirely from our inter-company sales.

Comparison between FYE 2014 and FYE 2013

In FYE 2014, the overall cost of sales for our Group decrease from RM285.97 million to RM202.49 million. GP increased slightly from RM39.82 million to RM43.08 million while margins increased correspondingly from 12.22% to 17.54%.

(i) Manpower supply services

In FYE 2014, cost of sales for manpower supply services decreased from RM101.13 million to RM75.02 million and its GP decreased from RM15.43 million to RM11.32 million in FYE 2014, with GP margin decreased slightly from 13.24% to 13.11%. This

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

decrease in margin was contributed by lower work order which came from the project development segment.

(ii) Hook up and commissioning

In FYE 2014, cost of sales for hook up and commissioning decreased to RM126.85 million as compared to RM181.32 million in FYE 2013, with its GP increasing slightly from RM24.70 million in FYE 2013 to RM31.02 million in FYE 2014. GP margin improved from 11.99% in FYE 2013 to 19.52% in FYE 2014.

GP and GP margin had significantly improved in FYE 2014 due to the following:

- (i) The increase usage of third-party services in relation to Peninsular Malaysia HUC Contract such as inspection services, cold tapping, cold cutting, habitat services and post weld heat treatment, which yielded better GP margin in view of the lump sum method of the work orders;
- (ii) The completion of the Sarawak/Sabah HUC Contract, of which the Company received from Petronas Carigali, being the award for Health Safety and Environment (HSE) payment for execution and completion of the work orders in a safe and secured manner; and
- (iii) The Sarawak/Sabah HUC Contract had reached its completion stage. The final stage of the contract was the "Final Documentation" stage, whereby CESB is required to compile and submit all documentations relating to the Sarawak/Sabah HUC Contract to Petronas Carigali. As there are no major costs associated with this billing stage, this lead to an overall improvement in GP margin for FYE 2014.

(iii) Minor fabrication services

During the year, minor fabrication services division recorded a GP of RM1.2 million and did not record any cost of sales. The GP of RM1.2 million recorded in FYE 2014 was resulting from a reversal of cost that was over estimated in FYE 2013 of RM1.1 million.

(iv) Equipment rental

Our equipment rental recorded cost of sales of RM0.62 million in FYE 2014 and a gross loss of RM0.25 million. The losses reduced in FYE 2014 as compared to FYE 2013 due to external sales derived from rental to third party.

12.3.3 Commentary on other income and share of profit

Other income generated throughout the review period was mainly from interest earned from deposits placed with banks, rental income and share of profit of joint venture. In particular, the Group had generated slightly lower income in FYE 2014 due to lower volume of work in its joint venture namely SK Offshore and its vessel SK Deep Sea despite a better interest income generated from the fixed deposit resulting from better cash retention in FYE 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

12.3.4 Commentaries on operating expenses and finance costs

The major portion of the expenses for the FYEs 2011 to 2014 related to staff cost which represents between 61.31% to 69.75% of operating expenses and finance costs. Staff cost comprise salary with bonuses and allowances. In FYE 2014, the staff and directors remuneration cost accounted for approximately 65.18% of the operating expenses and finance cost for the year.

Depreciation in property accounted for between 4.71% to 11.83% of the operating expenses and finance costs for the financial years under review. The reduction in depreciation charges in FYE 2013 and FYE 2014 compared to FYE 2012 was due to the transfer of equipment assets from Carimin Engineering to Carimin Equipment as part of our Group's assets ownership restructuring.

Other significant costs incurred are administrative in nature, namely:

- (i) Office expenses, which ranged between 6.15% to 12.44%. The higher office expenses incurred in FYE 2013 were due to increased printing and stationery expenses which will increase or decrease relative to bidding, work order activities and/or compilations for finalisation of projects. There were less activities in FYE 2011, FYE 2012 and FYE 2014 relative to the increased work orders in FYE 2013; and
- (ii) Realised and unrealised gains on foreign exchange, which have recorded an overall loss in FYE 2011 and FYE 2012 while in FYE 2013, an overall gain. In FYE 2014, our Group recorded an overall loss in realised and unrealised foreign exchange of RM0.4 million.

12.3.5 Commentaries on PBT and PBT margin by subsidiaries

Comparison between FYE 2011 and FYE 2010

PBT for FYE 2011 improved to RM12.64 million from RM9.20 million in FYE 2010. Correspondingly, PBT margin for our Group in FYE 2011 improved by 2.29% from 5.69% in FYE 2010 to 7.98%.

(i) CSB

CSB recorded a PBT of RM7.46 million in FYE 2011, marginally higher than its FYE 2010 performance of RM7.30 million while its PBT margin has improved by 1.54% from a PBT margin of 5.75% in FYE 2010 to 7.29% in FYE 2011. The improvement in PBT margin was a result of the improvement in GP margin after Carimin Engineering had absorbed a portion of CSB's cost of sales in return for operational support provided by CSB to Carimin Engineering.

(ii) Carimin Engineering

Carimin Engineering recorded a PBT of RM5.39 million for the FYE 2011, which translates to a 163.85% improvement from its PBT of RM2.04 million in FYE 2010. PBT margin improved from 2.98% in FYE 2010 to 8.18% in FYE 2011.

The improvement in PBT resulted from the continuation of Talisman's hook up and commissioning contract into FYE 2011 while there were costs associated for this contract which could not be amortised or carrying values identified incurred prior to FYE 2011. Improvement in PBT margin was a direct result of the improvement in GP margin as Carimin Engineering leveraged on CSB's resources in the form of

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

assignment of manpower, management time, procurement and financial support, effectively improving its cost efficiency.

(iii) Carimin Equipment

Carimin Equipment recorded very minor revenue in FYE 2011 and accordingly reported a small LBT of RM0.12 million.

(iv) Carimin Marine

Carimin Marine has not been incorporated in FYE 2011.

Comparison between FYE 2012 and FYE 2011

PBT for FYE 2012 improved to RM23.29 million from RM12.64 million in FYE 2011. However, PBT margin for our Group in FYE 2012 decreased by 1.67% from 7.98% in FYE 2011 to 6.31%.

(i) CSB

CSB recorded a higher PBT of RM9.74 million in FYE 2012 as compared to its FYE 2011 performance of RM7.46 million. PBT margin has improved by 1.64% from a PBT margin of 7.29% in FYE 2011 to 8.93% in FYE 2012 led by its improved GP margin and increased revenue for the year contributed by larger work order which came from the project development as well as from the productions/operations segments.

(ii) Carimin Engineering

PBT in FYE 2012 more than doubled to RM12.82 million as compared to the FYE 2011 PBT of RM5.39 million. PBT margin has decreased by 3.25% from a PBT margin of 8.18% in FYE 2011 to 4.93% in FYE 2012.

The significant increase in PBT resulted from the significant increase of revenue for the year. However, the decrease in PBT margin was directly related to the decrease in GP margin due to the concentration of cost plus contracts where the GP margin range was fixed.

(iii) Carimin Equipment

The PBT of RM0.03 million of our equipment rental services in FYE 2012 was entirely from our inter-company sales. PBT margin recorded was 3.34%.

(iv) Carimin Marine

Carimin Marine's GP of RM0.58 million was entirely translated into PBT for FYE 2012. At the inception, there were no associated operation costs related to our marine related support services division since the operation costs were paid by Carimin Engineering.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**Comparison between FYE 2013 and FYE 2012**

PBT for FYE 2013 improved to RM26.12 million from RM23.29 million in FYE 2012. Correspondingly, PBT margin for our Group in FYE 2013 increased by 1.71% from 6.31% in FYE 2012 to 8.02%.

(i) CSB

CSB recorded a higher PBT of RM14.94 million in FYE 2013 as compared to its FYE 2012 PBT of RM9.74 million and its PBT margin has improved further from a PBT margin of 8.93% in FYE 2012 to 12.81% in FYE 2013. Improvement in PBT and PBT margin was contributed by larger work order which came from the project development segment.

(ii) Carimin Engineering

PBT dipped slightly from RM12.82 million in FYE 2012 to RM11.12 million in FYE 2013 while its PBT margin increased from 4.93% in FYE 2012 to 5.32% in FYE 2013.

The decrease in PBT resulted from the decrease in revenue in FYE 2013. However, the increase in PBT margin was directly related to the increase in GP margin due to the improved efficiency in managing the vendor costs.

(iii) Carimin Equipment

PBT recorded in FYE 2013 was RM0.12 million while the PBT margin was 6.62%. The PBT was contributed by inter-company administrative cost charged to companies within our Group.

(iv) Carimin Marine

Carimin Marine recorded a LBT of RM0.13 million arising from non-operational costs such as administrative cost, management fees, rental of premises and utilities. Carimin Marine did not record any revenue in FYE 2013.

Comparison between FYE 2014 and FYE 2013

PBT for FYE 2014 improved to RM30.69 million from RM26.12 million in FYE 2013. Correspondingly, PBT margin for our Group in FYE 2014 increased by 4.48% from 8.02% in FYE 2013 to 12.50%.

(i) CSB

CSB recorded a lower PBT of RM9.38 million in FYE 2014 as compared to its FYE 2013 PBT of RM14.94 million and its PBT margin has reduced from a PBT margin of 12.81% in FYE 2013 to 10.87% in FYE 2014. The decrease in PBT and PBT margin was contributed by lower number of work orders which came from the project development segment.

(ii) Carimin Engineering

PBT improved significantly from RM11.12 million in FYE 2013 to RM22.11 million in FYE 2014 while its PBT margin increased from 5.32% in FYE 2013 to 13.91% in FYE 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The increase in PBT was directly related to the increase in GP margin due to the improved efficiency in managing the third-party services costs. The other significant contribution in 2014 saw the completion of several hook up and commissioning work orders with higher margins accorded at completion stages as well as the one-off Health Safety and Environment (HSE) payment being awarded for executing and completion of the work orders in a safe and secured manner.

(iii) Carimin Equipment

Carimin Equipment recorded a LBT of RM0.18 million and LBT margin of 8.35% in FYE 2014 as opposed to PBT recorded of RM0.12 million and PBT margin of 6.62% in FYE 2013. The LBT was resulted from the increase in inter-company administrative cost levied to companies within our Group.

(iv) Carimin Marine

Carimin Marine recorded a PBT of RM4,000 in FYE 2014 as compared to LBT of RM0.13 million in 2013 arising from the recovery of costs from management fees levied for the services rendered by the marine department.

(v) Carimin Airis

Carimin Airis commenced its operation in FYE 2014. It recorded a LBT of RM0.98 million arising from the start-up expenses which are required to be expensed off immediately such as logistics, transportation, handling and administration charges.

12.3.6 Commentaries on taxation

The effective tax rate for FYE 2014 was 29%, higher as compared to effective tax rate for FYE 2013 of 25%. This was due mainly to certain disallowed tax expenses for deduction, such as expenditure in depreciation, legal and professional fees and bank charges by the IRB.

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

Our Group has been financing our operations through cash generated from our operations and external sources of funds. Our Group's external sources of funds mainly comprise shareholders' equity and bank borrowings. As at 30 June 2014, our Group has cash and cash equivalent of approximately RM15.37 million and banking facilities amounting to approximately RM239.0 million, of which RM41.90 million has been drawn.

As at 30 June 2014, our Group has total current assets of RM147.76 million and current liabilities of RM63.84 million, amounting to RM83.92 million of net working capital. Net working capital is defined as the difference between current assets and current liabilities. The current assets comprise mainly of trade receivables. Trade receivables turnover for the FYEs 30 June 2011, 2012, 2013 and 2014 were 71 days, 44 days, 32 days and 42 days, respectively. The trade receivables turnover was computed based on trade receivables (excluding accrued billings) as at year end over revenue of 365 days for FYEs 2011 - 2014. Accrued billings are works performed but yet to be invoiced.

Our trade receivables turnover for the past 4 financial years has been on an improving trend. Our current ratio of 2.31 times as at 30 June 2014, reflects our ability to meet short-term obligations.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Our Board is confident that, after taking into account our gearing and cash flow position as well as the banking facilities currently available to our Group, the working capital of our Group will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus.

At this juncture, we do not foresee any circumstances which may materially affect the liquidity of our Group. Most of our customers normally settle their outstanding invoices within the granted credit period. However from our past experiences, some of our customers settled outstanding balances slower than expected even though our services has been delivered satisfactorily. In this respect, our credit control division will work together closely with our project management department for the collection of these outstanding balances on a monthly basis. This measure has proven to be effective while maintaining the cordial relationship with our customers.

12.4.2 Statement of cash flows

| | FYE 2014 RM'000 |
|--|----------------------------|
| Net cash from operating activities | 6,810 |
| Net cash for investing activities | (10,229) |
| Net cash for financing activities | (4,978) |
| Net decrease in cash and cash equivalents | (8,397) |
| Cash and cash equivalents at beginning of the year | 23,766 |
| Exchange fluctuation adjustment on opening balance | - |
| Cash and cash equivalents at end of the year | 15,369 |
| Cash and cash equivalents comprise the following: | |
| Fixed deposits with licensed banks | 17,125 |
| Cash and bank balances | 16,561 |
| Bank overdrafts | (1,192) |
| | 32,494 |
| Less: Fixed deposits pledged to licensed banks | (17,125) |
| | 15,369 |

12.4.2.1 Net cash from operating activities

In FYE 2014, our CSB Group's cash inflow from operating activities was mainly due to our operating profit before working capital changes amounting to RM34.99 million, decrease in amount owing by contract customers (RM17.72 million), increase in trade and other receivables (RM36.92 million) and decrease in trade and other payables (RM0.49 million).

During the year, income tax and interest paid amounts to RM7.34 million and RM1.66 million, respectively. Our CSB Group's net cash from operating activities was approximately RM6.81 million.

12.4.2.2 Net cash for investing activities

In FYE 2014, the outflow in investing activities amounts to RM10.23 million was to purchase property, plant and equipment.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.4.2.3 Net cash for financing activities

In FYE 2014, the outflow in financing activities was due to repayment of invoice financings and term loans amounted to RM1.68 million and RM0.82 million, respectively, increase in placement pledged deposits of RM0.94 million and payment of dividend of RM0.85 million.

12.5 BORROWINGS

We have a total outstanding borrowing of RM41.90 million, details of which are set out below and the total bank borrowings of our Group as at 30 June 2014, of which are interest-bearing, can be further analysed as follows:

| | FYE 2014 RM'000 |
|---|--------------------------------|
| Interest bearing short-term borrowings: | |
| Bank overdrafts | 1,192 |
| Invoice financing | 2,300 |
| Term loans | 4,335 |
| Hire purchase payables | 802 |
| Revolving credits | 60 |
| | 8,689 |
| Interest bearing long-term borrowings: | |
| Term loans | 32,011 |
| Hire purchase payables | 1,199 |
| | 33,210 |
| Total borrowings | 41,899 |
| Gearing (times) | 0.39 |

As at LPD, our Group does not have any borrowings which are non-interest bearing and/or in foreign currency. Our Group has not defaulted on payments of principal sums and/or interests in respect of any borrowings throughout the past 4 FYE 2011 to FYE 2014 and the subsequent financial period up to LPD.

12.6 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at the LPD, save as disclosed in this Prospectus, our Group does not utilise any other financial instruments.

Our Group finances our operations mainly through cash generated from our operations, as well as external sources of funds which mainly comprise bank borrowings. All of our borrowings as at 30 June 2014 are based on fixed rates, except for the carrying amounts of the term loans and invoice financing as disclosed in Section 12.5 above which approximated their fair values as these instruments bear interest at variable rates.

The principal uses of these cash resources are for the purchases of new equipment and materials, and to defray operating expenses as well as other expenses such as employee expenses, upkeep of equipment and travelling expenses.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Our sales are mainly denominated in RM. However, we are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than RM. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Our foreign currency receivables/reserves (in RM equivalent) are set out in the table below:

| Financial Assets | USD RM '000 | Singapore Dollar RM '000 | Australian Dollar RM '000 | Total RM '000 |
|------------------------|----------------|-----------------------------|------------------------------|------------------|
| Trade receivables | 4,022 | 682 | - | 4,704 |
| Cash and bank balances | 7,369 | 306 | 64 | 7,739 |
| Total | 11,391 | 988 | 64 | 12,443 |

12.7 MATERIAL CAPITAL COMMITMENTS

In March 2014, we had entered into a Memorandum of Agreement to acquire an additional Accommodation Workboat (AWB), namely Carimin Acacia. Carimin Acacia is scheduled for delivery in June 2015.

Carimin Acacia, together with its required equipments and fittings is estimated to cost RM95.0 million, of which RM2.48 million has been paid as deposit, RM35.32 million to be paid for via the proceeds from our IPO, and the remaining via bank borrowings to be secured.

The aforementioned capital commitment is in line with our Group's future plans to increase the level of in-house support that we are able to provide for our offshore hook up and commissioning, production platform system maintenance and upgrading services.

Save as disclosed above, there are no other material commitments which upon acquisition may have a material effect on the financial position of our Group.

12.8 MATERIAL LITIGATION

As at the LPD, there is no material litigation initiated by or against our Group.

12.9 CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, our Directors are not aware of any contingent liabilities incurred by us or our subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or our subsidiaries.

| | RM'000 |
|---|--------|
| Corporate guarantee given to licenced banks for credit facilities granted to subsidiaries | 38,250 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.10 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the FYE 2011 to FYE 2014 are as follows:

| | FYE | | | |
|---|------|------|------|------|
| | 2011 | 2012 | 2013 | 2014 |
| Trade receivable turnover (days) ⁽¹⁾ | 71 | 44 | 32 | 42 |
| Trade payable turnover (days) ⁽²⁾ | 9 | 18 | 14 | 21 |
| Current ratio (times) ⁽³⁾ | 3 | 2 | 2 | 2 |
| Gearing ratio (times) ⁽⁴⁾ | 0.06 | 0.21 | 0.13 | 0.39 |

Notes:

⁽¹⁾ Computed based on trade receivables (less accrued billings) as at year end over revenue of 365 days for FYEs 2011 - 2014.

⁽²⁾ Computed based on trade payables as at year end over cost of sales for the year of 365 days for FYEs 2011 - 2014.

⁽³⁾ Computed based on current assets over current liabilities as at year end for FYEs 2011 - 2014.

⁽⁴⁾ Computed based on bank borrowings as at year end over shareholders' funds.

12.10.1 Trade receivables turnover

The ageing analysis for trade receivables as at 30 June 2014 is as follows:

| | <--Within credit period--> | | Exceeding credit period | Total RM'000 |
|---|----------------------------|------------------------|-----------------------------|-----------------|
| | 0 – 30 days RM'000 | 31 – 60 days RM'000 | More than 60 days RM'000 | |
| Trade receivables | 69,482 | 2,021 | 7,136 | 78,639 |
| Percentage of total trade receivables (%) | 88.36 | 2.57 | 9.07 | 100.00 |
| Amount collected subsequent to FYE 2014 up to the LPD | 26,743 | 2,021 | 6,200 | 34,964 |
| Percentage collected (%) | 38.49 | 100.00 | 86.88 | 44.46 |
| Trade receivables net of subsequent collections | 42,739 | - | 936 | 43,675 |
| Percentage of trade receivables net of subsequent collections (%) | 61.51 | - | 13.12 | 55.54 |

The normal credit period offered by our Group in respect of its trade receivables is between 30 to 60 days from the date of invoice. Other credit terms are assessed and approved based on a case-by-case basis.

Trade receivables turnover period exceeded the normal credit period in FYE 2011 as our main customers were in the midst of upgrading their accounting system.

Trade receivables turnover period as at FYE 2012, FYE 2013 and FYE 2014 are within the normal credit terms granted. The remaining RM0.94 outstanding trade receivable is due from Petronas Carigali. As our Group has a long term working relationship with Petronas Carigali, who is also our major customer, our Board is of the opinion that the outstanding trade receivable is collectible.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.10.2 Trade payables turnover

Trade payables are recognised at their original invoice amounts which represent their fair value on initial recognition.

| | <--Within credit period--> | | Exceeding credit period | Total RM'000 |
|---|----------------------------|------------------------|-----------------------------|-----------------|
| | 0 – 30 days RM'000 | 31 – 60 days RM'000 | More than 60 days RM'000 | |
| Trade payables | 8,383 | 2,072 | 1,323* | 11,778 |
| <i>Percentage of total trade payables (%)</i> | <i>71.17</i> | <i>17.59</i> | <i>11.23</i> | <i>100.00</i> |

Note:

* As at the LPD, RM0.68 million has been paid. The remaining RM0.64 million is withheld pending receipt of complete supporting documentation from the respective vendors/suppliers.

The normal credit terms granted to our Group by its trade creditors ranges from 30 to 60 days from the date of invoice.

Trade payable turnover period for FYEs 2011, 2012, 2013 and 2014 are within the normal credit terms granted by our creditors.

As at LPD, there are no disputes in respect of trade payables and no legal action initiated by our suppliers to demand for payment.

12.10.3 Current Ratio

The current ratio for our Group remains healthy throughout the financial years under review ranges from 2 to 3 times.

12.10.4 Gearing

The gearing ratio remains at a healthy level, at 0.06 times in FYE 2011, 0.21 times in FYE 2012, 0.13 times in FYE 2013 and 0.39 times in FYE 2014. The increase of gearing in FYE 2012 was due to the increase in draw down of banking facilities for our working capital needs in line with the increase in our revenue. The increase in gearing in FYE 2014 was due to the drawdown of banking facilities for the purchase of Carimin Airs Vessel.

12.11 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 4 of this Prospectus.

12.12 INFLATION

We do not believe that inflation has had a material impact on the business, financial condition or results of operations of our Group. If our Group were to experience significantly higher inflation that we have experienced in the past, we may not be able to fully offset such higher costs through price increases. Our failure or inability to do so could adversely affect our business, financial condition and results of operations.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.13 SEASONALITY

Generally, our business is not affected by seasonality as work orders may be given to us at any time during the year. However, our site operations which involves hook up and commissioning works as well as mobilisation of our vessels from one site to another may be affected by adverse weather conditions, such as monsoons and tropical storms.

12.14 ORDER BOOK

Our contracts in hand for the offshore hook up and commissioning, and production platform system maintenance and upgrading services as at the LPD amounts to RM800 million, while our contracts in hand for manpower supply services amounts to RM100.8 million.

12.15 TREND INFORMATION

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

- (a) Known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 12.2 and 12.3 of this Prospectus;
- (b) Material commitments for capital expenditure save as disclosed in Section 12.7 of this Prospectus;
- (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 12.2 and 12.3 of this Prospectus;
- (d) Known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group revenue save for those that had been discussed in Sections 12.2 and 12.3 of this Prospectus; and
- (e) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 12.2 and 12.3 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given the outlook of the oil and gas supporting services industry set out in Section 7, our Group's competitive advantages set out in Section 6.2(c) and our Group's dedication to implement the future plans and strategies set out in Section 6.17 of this Prospectus.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.16 DIVIDEND POLICY

As we are a holding company, our Company's income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to shareholders' approval. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, availability of tax credits, general financial condition and any other factors considered relevant by our Board.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

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13. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Date: 12 September 2014

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The Board of Directors
Carimin Petroleum Berhad
B-1-6, Block B, Megan Avenue 1,
189 Jalan Tun Razak,
50400 Kuala Lumpur

Dear Sirs

**CARIMIN PETROLEUM BERHAD ("CPB" OR "THE COMPANY")
ACCOUNTANTS' REPORT**

1. PURPOSE OF REPORT

This report has been prepared by Messrs. Crowe Horwath, an approved company auditor and a firm of chartered accountants registered in Malaysia, for inclusion in the Prospectus of Carimin Petroleum Berhad in connection with the listing of Carimin Petroleum Berhad ("CPB") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The details of the listing scheme are disclosed in Section 2.2 of this report.

2. DETAILS OF LISTING SCHEME

2.1 THE COMPANY

Carimin Petroleum Sdn. Bhd. was incorporated in Malaysia as a private limited liability company under the Companies Act, 1965 on 14 March 2012. On 21 December 2012, Carimin Petroleum Sdn. Bhd. was converted to a public company limited by shares and assumed its present name, Carimin Petroleum Berhad. The Company's principal activity is investment holding. The principal activities of the subsidiaries are disclosed in Section 3 of this report.

13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF LISTING SCHEME (CONT'D)****2.2 LISTING SCHEME**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Securities, CPB will implement the following:-

2.2.1 Acquisition of Carimin Sdn. Bhd. ("CSB")

Prior to the implementation of the Acquisition of CSB, the shareholders of CSB were Mokhtar Bin Hashim (49.0% equity interest) and Cipta Pantas Sdn. Bhd. ("Cipta Pantas") (51.0% equity interest). The acquisition of CSB involves the acquisition of 100% equity interest in CSB comprising 1,000,000 ordinary shares of RM1.00 each in CSB ("CSB Shares") from Mokhtar Bin Hashim and Cipta Pantas for a purchase consideration of RM78,637,361 satisfied via the issuance of 157,274,722 new CPB Shares at par to Mokhtar Bin Hashim and Cipta Pantas, in the following manner:

| Vendors | No. of CSB Shares acquired | % of share capital | Purchase consideration [^] RM | No. of existing CPB Shares received * | No. of new CPB Shares received |
|--------------------|----------------------------|--------------------|--|---------------------------------------|--------------------------------|
| Mokhtar Bin Hashim | 490,000 | 49.00 | 38,532,307 | 20 | 77,064,614 |
| Cipta Pantas | 510,000 | 51.00 | 40,105,054 | 20 | 80,210,108 |
| | 1,000,000 | 100.00 | 78,637,361 | 40 | 157,274,722 |

Notes:

[^] The total purchase consideration of RM78,637,361 for the entire equity interest in CSB was based on the audited net assets ("NA") of CSB as at 30 June 2013 of RM78,637,397.

* Prior to the implementation of the Acquisitions, the issued and paid-up share capital of CPB is RM20 comprising 40 CPB Shares. The existing 40 CPB Shares were held by Mazhar Bin Palil and Muhammad Hatta Bin Noah, each holding 20 CPB Shares. Consequent to the implementation of the Acquisitions, the said 40 CPB Shares were transferred to Mokhtar Bin Hashim and Cipta Pantas on an equal basis. Thereafter, Mazhar Bin Palil and Muhammad Hatta Bin Noah ceased to be shareholders of CPB.

As a result of the implementation of the Acquisition of CSB, 77,064,614 new CPB Shares were issued to Mokhtar Bin Hashim and 80,210,108 new CPB Shares were issued to Cipta Pantas. Thereafter, CSB became a wholly-owned subsidiary of CPB.

13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF LISTING SCHEME (CONT'D)****2.2 LISTING SCHEME (CONT'D)**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Securities, CPB will implement the following (Cont'd):-

2.2.1 Acquisition of CSB (Cont'd)

Upon receipt of the 80,210,108 new CPB Shares by Cipta Pantas pursuant to the Acquisition of CSB, Cipta Pantas proceeded to distribute 39,500,000 new CPB Shares received to its shareholders, namely Tan Sri Dato' Kamaruzzaman Bin Shariff and Platinum Castle Sdn. Bhd. in the following manner ("Distribution of CPB Shares"):

| | No. of CPB Shares | % |
|--|------------------------------|----------------|
| New CPB Shares received by Cipta Pantas under the Acquisition of CSB | 80,210,128 | 100.00 |
| Less: Distribution of CPB Shares to: | | |
| (i) Tan Sri Dato' Kamaruzzaman Bin Shariff | (7,000,000) | (8.73) |
| (ii) Platinum Castle Sdn. Bhd. | (32,500,000) | (40.52) |
| Total shares distributed | (39,500,000) | (49.25) |
| CPB Shares retained in Cipta Pantas | 40,710,128 | 50.75 |

Upon completion of the Distribution of CPB Shares, the remaining 40,710,128 CPB Shares were retained by Cipta Pantas.

13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF LISTING SCHEME (CONT'D)****2.2 LISTING SCHEME (CONT'D)**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Securities, CPB will implement the following (Cont'd):-

2.2.2 Acquisition of Carimin Engineering Services Sdn. Bhd. ("Carimin Engineering")

Prior to the implementation of the Acquisition of Carimin Engineering, the shareholders of Carimin Engineering were CSB (70.0% equity interest) and Shatar Bin Abdul Hamid (30.0% equity interest). The acquisition of Carimin Engineering involves the acquisition of 30% of the equity interest in Carimin Engineering comprising 1,500,000 ordinary shares of RM1.00 each in Carimin Engineering ("Carimin Engineering Shares") by CPB from Shatar Bin Abdul Hamid for a purchase consideration of RM7,951,619 satisfied via the issuance of 15,903,238 new CPB Shares at par, in the manner below:

| Vendor | No. of Carimin Engineering Shares acquired | % of share capital | Purchase consideration RM [^] | No. of CPB Shares issued |
|------------------------|--|--------------------|--|--------------------------|
| Shatar Bin Abdul Hamid | 1,500,000 | 30.00 | 7,951,619 | 15,903,238 |

Note:

[^] The total purchase consideration of RM7,951,619 for the 30% equity interest in CSB was based on the 30% of the audited NA of Carimin Engineering as at 30 June 2013 of RM7,951,619.

As a result of the implementation of the Acquisition of Carimin Engineering, 15,903,238 new CPB Shares were issued to Shatar Bin Abdul Hamid. Thereafter, Carimin Engineering became a wholly-owned subsidiary of CPB whereby 70% equity interest is held via CSB and 30% equity interest is held via CPB.

(hereinafter referred to as the "Acquisitions").

The total purchase consideration of RM86,588,980 for the Acquisitions was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of CSB and Carimin Engineering as at 30 June 2013.

13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF LISTING SCHEME (CONT'D)****2.2 LISTING SCHEME (CONT'D)**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Securities, CPB will implement the following (Cont'd):-

2.2.2 Acquisition of Carimin Engineering Services Sdn. Bhd. ("Carimin Engineering") (Cont'd)

Details of the purchase consideration are as follows:

| Company | % of equity interest acquired | Audited NA as at 30 June 2013 RM | Share of audited NA as at 30 June 2013 RM | Purchase consideration RM |
|---------------------|--------------------------------------|---|--|----------------------------------|
| CSB | 100.00% | 78,637,397 | 78,637,397 | 78,637,361 |
| Carimin Engineering | 30.00% | 26,505,398 | 7,951,619 | 7,951,619 |
| | | 105,142,795 | 86,589,016 | 86,588,980 |

The Acquisitions were completed on 1 July 2014. Thereafter, CSB and Carimin Engineering became CPB's wholly-owned subsidiaries.

2.2.3 Group re-organisation

On 9 December 2013, CPB had entered into a Share Sale Agreement with its wholly-owned subsidiary, CSB to acquire the following companies from CSB:

| Companies | Equity interest acquired % | Issued and paid-up share capital RM | Purchase consideration RM |
|--|-----------------------------------|--|----------------------------------|
| Carimin Resources Services Sdn. Bhd. ("Carimin Resources") | 100 | 10 | 10 |
| Carimin Corporate Services Sdn. Bhd. ("Carimin Corporate") | 100 | 10 | 10 |
| Carimin Equipment Management Sdn. Bhd. ("Carimin Equipment") | 100 | 1,000,000 | 1,000,000 |
| Carimin Engineering | 70 | 3,500,000 | 3,500,000 |
| Carimin Marine Services Sdn. Bhd. ("Carimin Marine") | 100 | 1,000,000 | 1,000,000 |
| Total | | | 5,500,020 |

13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF LISTING SCHEME (CONT'D)

2.2 LISTING SCHEME (CONT'D)

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Securities, CPB will implement the following (Cont'd):-

2.2.3 Group re-organisation (Cont'd)

The effective purchase consideration for the acquisition of these subsidiaries is based on the respective subsidiaries' issued and paid-up share capital, the rationale being that there is no change in the effective control of these subsidiaries as a result of the reorganisation of the Group.

The Group re-organisation was completed on 1 July 2014. Thereafter, these companies became CPB's direct subsidiaries.

2.2.4 Public Issue

Pursuant to the Public Issue, CPB shall issue 60,700,000 new shares at an issue price of RM1.10 ("IPO Price") to be allocated in the following manner:

- (a) 11,694,000 new shares will be made available for application by the Malaysian Public, to be allocated via balloting;
- (b) 3,000,000 new shares made available to CPB's eligible Directors, employees and persons who have contributed to the success of the Group; and
- (c) 46,006,000 new shares by way of private placement to identified investors.

The new shares shall rank *pari passu* in all respects with CPB existing issued Shares including the voting rights and will be entitled to all rights and dividends and other distributions, the entitlement date of which are subsequent thereof.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM86,589,000 comprising 173,178,000 Shares to RM116,939,000 comprising 233,878,000 Shares.

13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF LISTING SCHEME (CONT'D)

2.2 LISTING SCHEME (CONT'D)

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CPB on the Main Market of Bursa Securities, CPB will implement the following (Cont'd):-

2.2.5 Offer for Sale

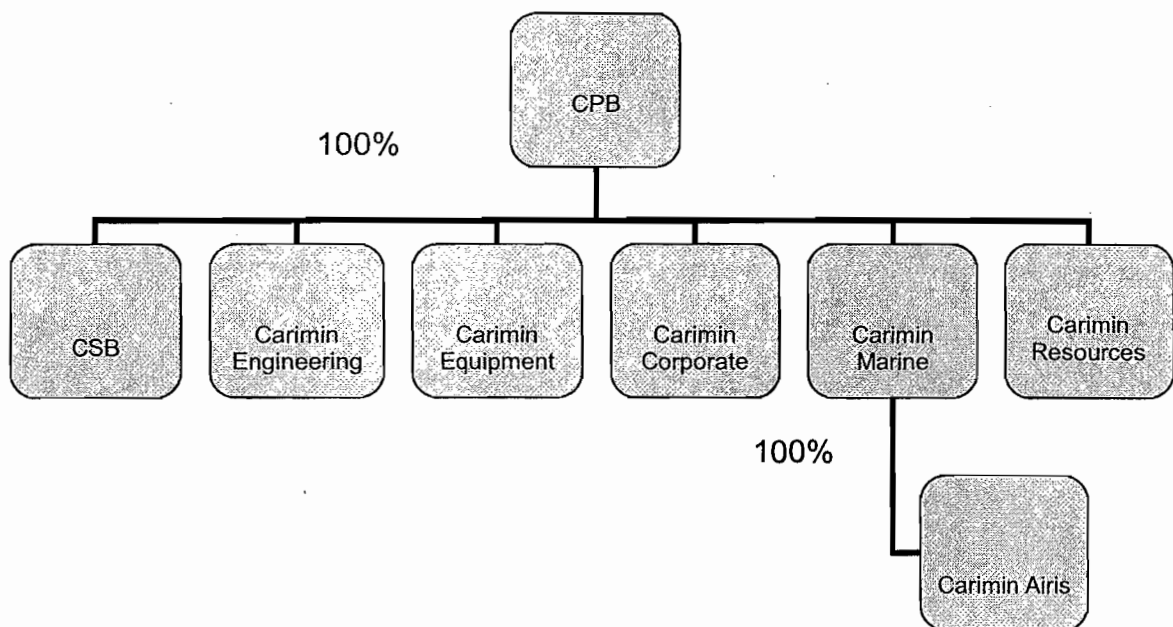
Concurrent with CPB's Listing, the Offerors, namely Mokhtar Bin Hashim and Platinum Castle Sdn. Bhd. will undertake an offer for sale of 5,890,000 Shares at the IPO Price, representing approximately 2.52% of the enlarged issued and paid-up share capital to identified investors.

2.2.6 Listing

Upon completion of the IPO, the Company's entire enlarged issued and paid-up share capital of RM116,939,000 comprising 233,878,000 Shares shall be listed on the Main Market of Bursa Securities.

3. GROUP STRUCTURE

The group structure of CPB and its subsidiaries at the date of this report is as follows:-



13. ACCOUNTANTS' REPORT (Cont'd)**3. GROUP STRUCTURE (CONT'D)**

Details of the subsidiaries at the date of this report are as follows:-

| Name of Company | Date of Incorporation | Country of Incorporation | Issued and Paid-up Capital RM'000 | Effective Equity Interest | Principal Activities |
|---------------------|-----------------------|--------------------------|--------------------------------------|---------------------------|--|
| CSB | 2 May 1989 | Malaysia | 1,000 | 100% | To carry out the business of provision of inspection services, project management support services including sourcing for consultants, technical professionals, engineers, skilled personnel and other quality assurance services. |
| Carimin Engineering | 20 September 2005 | Malaysia | 5,000 | 100% | The provision of offshore hook up and commissioning services, maintenance, engineering and minor fabrication services for offshore and onshore structures. |
| Carimin Equipment | 24 November 2010 | Malaysia | 1,000 | 100% | The provision of special equipment and tools for offshore and onshore works in the oil and gas industry. |

13. ACCOUNTANTS' REPORT (Cont'd)**3. GROUP STRUCTURE (CONT'D)**

Details of the subsidiaries at the date of this report are as follows:-

| Name of Company | Date of Incorporation | Country of Incorporation | Issued and Paid-up Capital RM'000 | Effective Equity Interest | Principal Activities |
|--|-----------------------|--------------------------|--------------------------------------|---------------------------|---|
| Carimin Corporate | 24 November 2010 | Malaysia | # | 100% | The provision of corporate and management services for the subsidiaries in the Group. |
| Carimin Marine | 16 August 2011 | Malaysia | 1,000 | 100% | The provision of marine related offshore and onshore support services in the oil and gas industry. |
| Carimin Resources | 24 December 2010 | Malaysia | # | 100% | Presently dormant. Its intended activities are the provision of project and data management services for the Group. |
| Carimin Airis Offshore Sdn. Bhd. ("Carimin Airis") | 7 June 2013 | Malaysia | 5,000 | 100% | The provision of marine related offshore and onshore support services in the oil and gas industry. |

Note:

Issued and paid-up capital is RM10.

13. ACCOUNTANTS' REPORT (Cont'd)**4. RELEVANT FINANCIAL PERIOD AND AUDITORS**

The relevant financial period of the audited financial statements provided in this report ("Relevant Financial Period") and the auditors of the respective companies for the Relevant Financial Period are as follows:-

| Company | Relevant Financial Period | Auditors | Auditors' Report |
|---------------------|---|-----------------------------|-------------------------|
| CPB | Financial Period End ("FPE") 30 June 2013 | Messrs. Crowe Horwath | Appendix I |
| | Financial Year End ("FYE") 30 June 2014 | Messrs. Crowe Horwath | |
| CSB | FYE 30 June 2011 | Messrs. Wong Weng Foo & Co. | Appendix II |
| | FYE 30 June 2012 | Messrs. Crowe Horwath | |
| | FYE 30 June 2013 | Messrs. Crowe Horwath | |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |
| Carimin Engineering | FYE 30 June 2011 | Messrs. Wong Weng Foo & Co. | Appendix III |
| | FYE 30 June 2012 | Messrs. Crowe Horwath | |
| | FYE 30 June 2013 | Messrs. Crowe Horwath | |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |
| Carimin Equipment | FPE 30 June 2011 | Messrs. Wong Weng Foo & Co. | Appendix IV |
| | FYE 30 June 2012 | Messrs. Crowe Horwath | |
| | FYE 30 June 2013 | Messrs. Crowe Horwath | |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |
| Carimin Corporate | FPE 30 June 2011 | Messrs. Wong Weng Foo & Co. | Appendix V |
| | FYE 30 June 2012 | Messrs. Crowe Horwath | |
| | FYE 30 June 2013 | Messrs. Crowe Horwath | |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |

13. ACCOUNTANTS' REPORT (Cont'd)**4. RELEVANT FINANCIAL PERIOD AND AUDITORS (CONT'D)**

The relevant financial period of the audited financial statements provided in this report ("Relevant Financial Period") and the auditors of the respective companies for the Relevant Financial Period are as follows (Cont'd):-

| | | | |
|----------------------|------------------|-----------------------------|---------------|
| Carimin Marine | FPE 30 June 2012 | Messrs. Crowe Horwath | Appendix VI |
| | FYE 30 June 2013 | Messrs. Crowe Horwath | |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |
| Carimin Resources | FPE 30 June 2011 | Messrs. Wong Weng Foo & Co. | Appendix VII |
| | FYE 30 June 2012 | Messrs. Crowe Horwath | |
| | FYE 30 June 2013 | Messrs. Crowe Horwath | |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |
| Carimin Airis | FPE 30 June 2013 | Messrs. Crowe Horwath | Appendix VIII |
| | FYE 30 June 2014 | Messrs. Crowe Horwath | |

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.1 BASIS OF PREPARATION

The financial information of CPB and CSB Group as presented in Sections 6.1 and 6.2 are based on the audited financial statements, modified as appropriate, for the purpose of this report. The details of the restatement to the audited financial statements of CSB Group are disclosed in Section 6.2.39.

The audited financial statements of CPB and CSB Group for the Relevant Financial Period under review were not subject to any audit qualification or emphasis of matter.

For FYE 2014 and FPE/FYE 2013, the financial statements of CPB and CSB Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

CPB and CSB Group's first set of financial statements for FPE/FYE 2013 were prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In FYE 2012, the financial statements of CSB Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

In FYE 2011, the financial statements of CSB Group were prepared in accordance with Private Entity Reporting Standards. The transition to FRS did not have any financial impact to the financial statements of CSB Group.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.1 BASIS OF PREPARATION (CONT'D)**

- (a) During the FYE 2014, CPB and CSB Group have adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on CPB and CSB Group's financial statements except as follows:-

- (i) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no financial impact on the financial statements of CPB and CSB Group upon their initial application but may impact their future disclosures.
- (ii) MFRS 11 replaces MFRS 131 and introduces new accounting requirements for joint arrangements. MFRS 11 eliminates jointly controlled assets and only differentiates between joint operations and joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, the option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. There will be no financial impact on the financial statements of CPB and CSB Group upon their initial application but may impact their future disclosures.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.1 BASIS OF PREPARATION (CONT'D)

- (a) During the FYE 2014, CPB and CSB Group have adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-
- (iii) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosures are disclosed in Section 6.2.9 to the financial statements.
 - (iv) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.
 - (v) The amendments to MFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
 - (vi) The Annual Improvements to MFRSs 2009 - 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments have no material impact on the financial statements of CPB and CSB Group upon their initial application.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.1 BASIS OF PREPARATION (CONT'D)**

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

| MFRSs and IC Interpretations (Including The Consequential Amendments) | Effective Date |
|---|-----------------------|
| MFRS 9 (2009) Financial Instruments |) |
| MFRS 9 (2010) Financial Instruments |) To be |
| MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139) |) announced |
| Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures |) |
| MFRS 14 Regulatory Deferral Accounts |) |
| MFRS 14 Regulatory Deferral Accounts | 1 January 2016 |
| Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities | 1 January 2014 |
| Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions | 1 July 2014 |
| Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets | 1 January 2014 |
| Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21 Levies | 1 January 2014 |
| Annual Improvements to MFRSs 2010 - 2012 Cycle | 1 July 2014 |
| Annual Improvements to MFRSs 2011 - 2013 Cycle | 1 July 2014 |

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.1 BASIS OF PREPARATION (CONT'D)**

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

The above accounting standards and interpretations (including the consequential amendments) are not relevant to CPB and CSB Group's operations except as follows:-

- (i) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories - those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.
- (ii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Critical Accounting Estimates And Judgements**

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

(i) 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.

CSB 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.

(ii) Contract Accounting

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

(a) Contract Revenue

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

(b) Contract Costs

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Critical Accounting Estimates And Judgements (Cont'd)****(iii) *Income Taxes***

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. CPB and CSB Group recognises tax liabilities based on their 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 and deferred tax provisions in the year in which such determination is made.

(iv) *Impairment of Non-Financial Assets*

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

(v) *Impairment of Trade and Other Receivables*

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

(vi) *Impairment of Goodwill*

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Critical Accounting Estimates And Judgements (Cont'd)***(vii) Impairment of Available-for-sale Financial Assets*

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

(viii) Classification of Leasehold Land

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

(ix) Fair Value Estimates for Certain Financial Assets and Liabilities

CPB and CSB Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if CPB and CSB Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Consolidation**

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

Subsidiaries are entities (including structured entities) controlled by CSB Group. CSB Group controls an entity when the CSB 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.

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

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of CSB Group.

(i) 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 CSB Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Consolidation (Cont'd)***(ii) 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 CSB. Profit or loss and each component of other comprehensive income are attributed to CSB 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.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) 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 CSB Group.

(iv) Loss of Control

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

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) Goodwill**

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

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

(d) Functional and Foreign Currencies**(i) Functional and Presentation Currency**

The individual financial statements of each entity in CPB and CSB 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 CPB and CSB Group's functional and presentation currency.

(ii) Transactions and Balances

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Financial Instruments**

Financial instruments are recognised in the statements of financial position when CPB and CSB Group have become a party to the contractual provisions of the instruments.

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

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

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

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

(i) Financial Assets

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

- ***Financial Assets at Fair Value Through Profit or Loss***

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Financial Instruments (Cont'd)****(i) Financial Assets (Cont'd)**

- *Financial Assets at Fair Value Through Profit or Loss (Cont'd)*

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

- *Held-to-maturity Investments*

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

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

- *Loans and Receivables Financial Assets*

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

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

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Available-for-sale Financial Assets*

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

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

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

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Financial Instruments (Cont'd)****(ii) Financial Liabilities**

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

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

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

(iii) Equity Instruments

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

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

(iv) Derecognition

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

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

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) Investments in Subsidiaries**

Investments in subsidiaries are stated at cost in the statement of financial position of CSB, 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.

(g) Joint Arrangements

Joint arrangements are arrangements of which the CSB 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. CSB Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

A joint venture is a joint arrangement whereby CSB Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to 30 June 2014. CSB 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 CSB Group, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. CSB Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus CSB Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Joint Arrangements (Cont'd)

When CSB 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 CSB Group has an obligation.

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Property, Plant and Equipment**

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

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

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

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

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

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

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) 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 CPB and CSB Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which CPB and CSB Group are obligated to incur when the asset is acquired, if applicable.

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

(i) Construction Contracts

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

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

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

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) Construction Contracts (Cont'd)**

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

(j) Impairment**(i) Impairment of Financial Assets**

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

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

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

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

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Impairment (Cont'd)****(ii) *Impairment of Non-Financial Assets***

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when 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. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

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.

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.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Assets under Hire Purchase**

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Section 5.2(h) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(l) Income Taxes

Income tax for the year comprises current and deferred tax.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

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

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(l) Income Taxes (Cont'd)**

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 income taxes relate to the same taxation authority.

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

(m) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and 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. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

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

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(n) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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.

During the FYE 2014, CPB and CSB Group excluded deposits pledged to financial institutions from cash and cash equivalents for the purpose of the statements of cash flows. This change has been applied retrospectively with an adjustment made against the opening balance of the cash and cash equivalents as at 1 July 2012.

(o) 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 CPB and CSB Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

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

(p) Employee Benefits**(i) Short-term Benefits**

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

(ii) Defined Contribution Plans

CPB and CSB 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, CPB and CSB Group have no further liability in respect of the defined contribution plans.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(q) Related Parties**

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(r) Provisions**

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

(s) 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's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(t) Revenue and Other Income***(i) Services*

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

(ii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 5.2(i).

(iii) Interest Income

Interest income is recognised on an accrual basis.

(iv) Dividend Income

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

(v) Rental Income

Rental income is recognised on an accrual basis.

6. AUDITED FINANCIAL STATEMENTS

The scope of work involved in the preparation of this report does not constitute an audit in accordance with approved standards on auditing in Malaysia.

All information are extracted from a combination of the audited financial statements except those in *italics* which are prepared based on calculation, representation and/or explanation provided by the management and those as otherwise indicated.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB****6.1.1 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| | Note | Audited FPE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|-------|-------------------------------|-------------------------------|
| Revenue | | - | - |
| Administrative expenses | | (5) | (36) |
| Loss for the financial period/year | 6.1.5 | (5) | (36) |
| Other comprehensive income | | - | - |
| Total comprehensive expenses for the financial period/year | | (5) | (36) |
| <i>GP margin (%)</i> | | <i>n/a</i> | <i>n/a</i> |
| <i>PBT margin (%)</i> | | <i>n/a</i> | <i>n/a</i> |
| <i>PAT margin (%)</i> | | <i>n/a</i> | <i>n/a</i> |
| <i>Effective tax rate (%)</i> | | <i>n/a</i> | <i>n/a</i> |
| <i>Interest coverage (times)</i> | | <i>n/a</i> | <i>n/a</i> |
| <i>Number of ordinary shares of RM0.50 each in issue ('000)</i> | | * | ^ |
| <i>Gross earnings per share ("EPS") (RM)</i> | | <i>n/a</i> | <i>n/a</i> |
| <i>Net EPS (RM)</i> | | <i>n/a</i> | <i>n/a</i> |

Note:

(*) - Represent 4 ordinary shares

(^)- Represent 40 ordinary shares

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.2 STATEMENT OF FINANCIAL POSITION**

| | Note | Audited FPE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|-------|-------------------------------|-------------------------------|
| ASSET | | | |
| CURRENT ASSETS | | | |
| Prepayments | | - | 880 |
| Cash and bank balances | | * | 3 |
| TOTAL ASSET | | * | 883 |
| EQUITY AND LIABILITY | | | |
| Share capital | 6.1.7 | * | # |
| Accumulated losses | | (5) | (41) |
| TOTAL EQUITY | | (5) | (41) |
| CURRENT LIABILITIES | | | |
| Other payables and accruals | | 5 | 13 |
| Amount owing to a related party | 6.1.8 | - | 911 |
| TOTAL LIABILITY | | 5 | 924 |
| TOTAL EQUITY AND LIABILITY | | * | 883 |
| <i>Number of ordinary shares of RM0.50 each in issue ('000)</i> | | | |
| | | ^ | ** |
| <i>Net assets ("NA") (RM'000)*</i> | | (5) | (41) |
| <i>NA per ordinary share (RM)*</i> | | (12.50) | (105) |
| <i>Trade receivables turnover period (days)</i> | | n/a | n/a |
| <i>Trade payables turnover period (days)</i> | | n/a | n/a |
| <i>Gearing ratio (times)</i> | | n/a | n/a |

Note:

(*) - Represent RM2

(^) - Represent 4 ordinary shares

#) - Represent RM20

(**) - Represent 40 ordinary shares

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.3 STATEMENT OF CASH FLOWS**

| | Audited FPE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|-------------------------------|-------------------------------|
| CASH FLOWS FROM(FOR) OPERATING ACTIVITIES | | |
| Loss for the financial period/year | (5) | (36) |
| Adjustment for:- | | |
| Preliminary expenses written off | 2 | - |
| Operating loss before working capital changes | (3) | (36) |
| Increase in prepayments | - | (880) |
| Increase in other payables and accruals | 5 | 8 |
| NET CASH FROM(FOR) OPERATING ACTIVITIES | 2 | (908) |
| NET CASH FOR INVESTING ACTIVITY | | |
| Preliminary expenses | (2) | - |
| NET CASH FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | * | ^ |
| Advances from a related party | - | 911 |
| NET INCREASE IN CASH AND BALANCES | * | 3 |
| CASH AND BANK BALANCES AT BEGINNING OF THE INCORPORATION DATE/FINANCIAL YEAR | | |
| | - | * |
| CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD/YEAR | | |
| | * | 3 |

Note:

(*) - Represent RM2

(^) - Represent RM18

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.4 STATEMENT OF CHANGES IN EQUITY**

| | Share capital RM'000 | Accumulated losses RM'000 | Total RM'000 |
|---|----------------------------|---------------------------------|-----------------|
| Audited | | | |
| At 14.3.2012 (date of incorporation) | * | - | * |
| Loss for the financial period/Total comprehensive expenses for the financial period | - | (5) | (5) |
| At 30.6.2013/1.7.2013 | * | (5) | (5) |
| Loss for the financial year/Total comprehensive expenses for the financial year | - | (36) | (36) |
| Contributions by and distribution to owners of CPB | | | |
| - Issuance of shares | # | - | # |
| At 30.6.2014 | ^ | (41) | (41) |

Note:

(*) - Represent RM2

(#) - Represent RM18

(^) - Represent RM20

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.5 LOSS FOR THE FINANCIAL PERIOD/YEAR**

| | Audited FPE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|-------------------------------|-------------------------------|
| Loss for the financial period/year is arrived at after charging:- | | |
| Audit fee | 2 | 2 |
| Preliminary expenses written off | 2 | - |
| | <u>2</u> | <u>-</u> |

6.1.6 INCOME TAX EXPENSE

CPB is not subject to tax as it is in a tax loss position.

During the FYE 2014, the statutory tax rate is at 25%.

A reconciliation of income tax expense applicable to the loss for the financial period/year at the statutory tax rate to income tax expense at the effective tax rate of CPB is as follows:-

| | Audited FPE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| Loss for the financial period/year | (5) | (36) |
| Tax at the statutory tax rate of 25% | (1) | (9) |
| Tax effect of:- | | |
| Non-deductible expenses | 1 | 9 |
| Tax for the financial period/year | <u>-</u> | <u>-</u> |

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.7 SHARE CAPITAL**

| Audited | FPE 2013 | FYE 2014 | FPE 2013 | FYE 2014 |
|--|------------------------------|-----------------|-----------------|-----------------|
| | Number of shares '000 | | RM'000 | RM'000 |
| Ordinary Shares | | | | |
| Authorised | | | | |
| At 14.3.2012 (date of incorporation)/1.7.2013 | 100 | 200 | 100 | 100 |
| Sub-division of the Par value of the ordinary shares of RM1.00 each into RM0.50 each | 100 | - | - | - |
| At 30.6.2013/2014 | <u>200</u> | <u>200</u> | <u>100</u> | <u>100</u> |
| Issued And Fully Paid-up | | | | |
| At 14.3.2012 (date of incorporation)/1.7.2013 | # | ^ | * | * |
| Value of the ordinary shares of RM1.00 each into RM0.50 each | # | - | - | - |
| Issuance of new shares | - | @ | - | ^^ |
| At 30.6.2013/2014 | <u>^</u> | <u>**</u> | <u>*</u> | <u>##</u> |

On 8 January 2013, the shareholders of CPB at an Extraordinary General Meeting approved to sub-divide its authorised and issued and paid-up share capital of the CPB as follows:-

- (i) the authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each be sub-divided into 200,000 ordinary shares of RM0.50 each; and
- (ii) the issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1.00 each be sub-divided into 4 ordinary shares of RM0.50 each.

On 9 December 2013, CPB increased its issued and paid-up share capital from RM2 to RM20 by the allotment of 36 new ordinary shares of RM0.50 each at par for the purpose of working capital. The new ordinary shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing shares of CPB.

Notes:

- (*) - Represent RM2
 (^) - Represent 4 ordinary shares
 (#) - Represent 2 ordinary shares
 (@) - Represent 36 ordinary shares
 (**) - Represent 40 ordinary shares
 (^^) - Represent RM18
 (##) - Represent RM20

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.8 AMOUNT OWING TO A RELATED PARTY**

| | Audited | |
|---------------------------------|--------------------|--------------------|
| | FPE 2013 RM'000 | FYE 2014 RM'000 |
| Amount owing to a related party | - | 911 |

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

6.1.9 FINANCIAL INSTRUMENTS

The CPB 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 CPB overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the CPB financial performance.

(a) Financial Risk Management Policies

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

(i) Market Risk*(i) Foreign Currency Risk*

CPB does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

CPB does not have any interest-bearing borrowings or fixed deposits and hence is not exposed to interest rate risk.

(iii) Equity Price Risk

CPB does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

CPB does not have any trade receivables and hence is not exposed to credit risk.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.9 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. CPB does not have sufficient cash to support its daily operations. As such, the shareholders have undertaken to provide continued financial support to meet the CPB working capital as and when they fall due.

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 based on the rates at the end of the relevant reporting period):-

| Audited FYE 2014 | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 |
|---------------------------------|---------------------------------------|---|-------------------------------------|
| Other payables and accruals | 13 | 13 | 13 |
| Amount owing to a related party | 911 | 911 | 911 |
| | 924 | 924 | 924 |

| Audited FPE 2013 | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 |
|-----------------------------|---------------------------------------|---|-------------------------------------|
| Other payables and accruals | 5 | 5 | 5 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.9 FINANCIAL INSTRUMENTS (CONT'D)****(b) Capital Risk Management**

The primary objective of CPB's capital management is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services to commensurate with the level of risk. The management sets the amount of capital in proportion to risk. There were no changes in the approach to capital management during the financial year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(c) Classification Of Financial Instruments

| | Audited FPE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|--|--|
| Financial Assets | | |
| <u>Loans and receivables financial assets</u> | | |
| Cash and bank balances | * | 3 |
| Financial Liabilities | | |
| <u>Other financial liabilities</u> | | |
| Other payables and accruals | 5 | 13 |
| Amount owing to a related party | - | 911 |
| | <u>5</u> | <u>924</u> |

Note:

(*) - Represent RM2

(d) Fair Value Information

At the Relevant Financial Period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities reported in the financial statements approximated their carrying amounts due to the relatively short-term maturity of these financial instruments. The fair values are included in level 2 of the fair value hierarchy.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.10 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

- (a) On 1 July 2014 at an Extraordinary General Meeting, CPB;
- (i) increased its authorised share capital from RM100,000 comprising 200,000 ordinary shares to RM300,000,000 comprising 600,000,000 ordinary shares of RM0.50 each through the creation of an additional RM299,900,000 ordinary shares of RM0.50 each; and
- (ii) increased its issued and paid-up share capital from RM2 comprising 4 ordinary shares to RM86,589,000 comprising 173,177,960 ordinary shares of RM0.50 each ("Shares") pursuant to the acquisitions of Carimin Sdn. Bhd. ("CSB") and Carimin Engineering Services Sdn. Bhd. ("Carimin Engineering") as disclosed in Section 6.1.10(b).
- (b) Pursuant to the initial public offering ("IPO"), new authorised and issued and paid-up share capital, CPB had concurrently entered into a Share Sale Agreement ("SSA") on 9 December 2013 with Cipta Pantas Sdn. Bhd. ("Cipta Pantas"), Mokhtar Bin Hashim ("Mokhtar") and Shatar Bin Abdul Hamid ("Shatar") to acquire CSB and Carimin Engineering respectively.

(i) Acquisition of CSB

Prior to the implementation of the acquisition of CSB, the shareholders of CSB were Mokhtar (49.0% equity interest) and Cipta Pantas (51.0% equity interest). The acquisition of CSB involves the acquisition of 100% equity interest in CSB comprising 1,000,000 ordinary shares of RM1.00 each in CSB ("CSB Shares") from Mokhtar and Cipta Pantas for a purchase consideration of RM78,637,361 satisfied via the issuance of 157,274,722 new ordinary shares ("CPB Shares") at par to Mokhtar and Cipta Pantas, in the following manner:

| Vendors | No. of CSB Shares acquired | % of share capital | Purchase consideration [^] RM | No. of existing CPB Shares received * | No. of new CPB Shares received |
|--------------|----------------------------|--------------------|--|---------------------------------------|--------------------------------|
| Mokhtar | 490,000 | 49.00 | 38,532,307 | 20 | 77,064,614 |
| Cipta Pantas | 510,000 | 51.00 | 40,105,054 | 20 | 80,210,108 |
| | 1,000,000 | 100.00 | 78,637,361 | 40 | 157,274,722 |

Notes:

[^] The total purchase consideration of RM78,637,361 for the entire equity interest in CSB was based on the audited net assets ("NA") of CSB as at 30 June 2013 of RM78,637,397.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.10 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)****(b) Cont'd****(i) Acquisition of CSB (Cont'd)**

* *Prior to the implementation of the acquisition, the issued and paid-up share capital of CPB is RM20 comprising 40 CPB Shares. The existing 40 CPB Shares were held by Mazhar Bin Palil and Muhammad Hatta Bin Noah, each holding 20 CPB Shares. Consequent to the implementation of the acquisitions, the said 40 CPB Shares were transferred to Mokhtar and Cipta Pantas on an equal basis. Thereafter, Mazhar Bin Palil and Muhammad Hatta Bin Noah ceased to be shareholders of CPB.*

As a result of the implementation of the acquisition of CSB, 77,064,614 new CPB Shares were issued to Mokhtar and 80,210,108 new CPB Shares were issued to Cipta Pantas. Thereafter, CSB became a wholly-owned subsidiary of CPB.

Upon receipt of the 80,210,108 new CPB Shares by Cipta Pantas pursuant to the acquisition of CSB, Cipta Pantas proceeded to distribute 39,500,000 new CPB Shares received to its shareholders, namely Tan Sri Dato' Kamaruzzaman Bin Shariff and Platinum Castle Sdn. Bhd. in the following manner ("Distribution of CPB Shares"):

| | No. of CPB Shares | % |
|--|----------------------|----------------|
| New CPB Shares received by Cipta Pantas under the Acquisition of CSB | 80,210,128 | 100.00 |
| Less: Distribution of CPB Shares to: | | |
| (i) Tan Sri Dato' Kamaruzzaman Bin Shariff | (7,000,000) | (8.73) |
| (ii) Platinum Castle Sdn Bhd | (32,500,000) | (40.52) |
| Total shares distributed | (39,500,000) | (49.25) |
| CPB Shares retained in Cipta Pantas | 40,710,128 | 50.75 |

Upon completion of the Distribution of CPB Shares, the remaining 40,710,128 CPB Shares were retained by Cipta Pantas.

(ii) Acquisition of Carimin Engineering

Prior to the implementation of the acquisition of Carimin Engineering, the shareholders of Carimin Engineering were CSB (70.0% equity interest) and Shatar (30.0% equity interest). The acquisition of Carimin Engineering involves the acquisition of 30% of the equity interest in Carimin Engineering comprising 1,500,000 ordinary shares of RM1.00 each in Carimin Engineering ("Carimin Engineering Shares") by the Company from Shatar for a purchase consideration of RM7,951,619 satisfied via the issuance of 15,903,238 new CPB Shares at par, in the following manner:

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.10 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)**

(b) Cont'd

(ii) Acquisition of Carimin Engineering (Cont'd)

| Vendor | No. of Carimin Engineering Shares acquired | % of share capital | Purchase consideration RM [^] | No. of CPB Shares issued |
|--------|--|--------------------|--|--------------------------|
| Shatar | 1,500,000 | 30.00 | 7,951,619 | 15,903,238 |

Note:

[^] The total purchase consideration of RM7,951,619 for the 30% equity interest in CSB was based on the 30% of the audited NA of Carimin Engineering as at 30 June 2013 of RM7,951,619.

As a result of the implementation of the acquisition of Carimin Engineering, 15,903,238 new CPB Shares were issued to Shatar. Thereafter, Carimin Engineering became a wholly-owned subsidiary of CPB whereby 70% equity interest is held via CSB and 30% equity interest is held by CPB.

(hereinafter referred to as the "Acquisitions").

The total purchase consideration of RM86,588,980 for the Acquisitions was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of CSB and Carimin Engineering as at 30 June 2013.

Details of the purchase consideration are as follows:

| Company | % of equity interest acquired | Audited NA as at 30 June 2013 RM | Share of audited NA as at 30 June 2013 RM | Purchase consideration on RM |
|---------------------|-------------------------------|----------------------------------|---|------------------------------|
| CSB | 100.00% | 78,637,397 | 78,637,397 | 78,637,361 |
| Carimin Engineering | 30.00% | 26,505,398 | 7,951,619 | 7,951,619 |
| | | <u>105,142,795</u> | <u>86,589,016</u> | <u>86,588,980</u> |

The Acquisition was completed on 1 July 2014. Thereafter, CSB and Carimin Engineering became CPB wholly-owned subsidiaries.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.10 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)**

(b) Cont'd

(iii) Group re-organisation

On 9 December 2013, CPB had entered into a Share Sale Agreement with its wholly-owned subsidiary, CSB to acquire the following companies from CSB:

| Companies | Equity interest acquired % | Issued and paid-up share capital RM | Purchase consideration RM |
|--|----------------------------|-------------------------------------|---------------------------|
| Carimin Resources Services Sdn. Bhd. ("Carimin Resources") | 100 | 10 | 10 |
| Carimin Corporate Services Sdn. Bhd. ("Carimin Corporate") | 100 | 10 | 10 |
| Carimin Equipment Management Sdn. Bhd. ("Carimin Equipment") | 100 | 1,000,000 | 1,000,000 |
| Carimin Engineering | 70 | 3,500,000 | 3,500,000 |
| Carimin Marine Services Sdn. Bhd. ("Carimin Marine") | 100 | 1,000,000 | 1,000,000 |
| Total | | | 5,500,020 |

The effective purchase consideration for the acquisition of these subsidiaries is based on the respective subsidiaries' issued and paid-up share capital, the rationale being that there is no change in the effective control of these subsidiaries as a result of the reorganisation of the Group.

The Group re-organisation was completed on 1 July 2014. Thereafter, these companies became CPB's direct subsidiaries.

(iv) Public Issue

Pursuant to the Public Issue, CPB shall issue 60,700,000 new Shares to be allocated in the following manner:

- (a) 11,694,000 new Shares will be made available for application by the Malaysian Public, to be allocated via balloting;
- (b) 3,000,000 new Shares made available to the Company's eligible Directors, employees and persons who have contributed to the success of the Group; and
- (c) 46,006,000 new Shares by way of private placement to identified investors.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CPB (CONT'D)****6.1.10 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)**

(b) Cont'd

(iv) Public Issue (Cont'd)

The new shares shall rank *pari passu* in all respects with CPB's existing issued Shares including the voting rights and will be entitled to all rights and dividends and other distributions, the entitlement date of which are subsequent thereof.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM86,589,000 comprising 173,178,000 Shares to RM116,939,000 comprising 233,878,000 Shares.

(v) Offer for Sale

Concurrent with CPB's listing, the Offerors, namely Mokhtar and Platinum Castle Sdn. Bhd. will undertake an offer for sale of 5,890,000 Shares, representing approximately 2.52% of the enlarged issued and paid-up share capital to identified investors.

(vi) Listing

Upon completion of the IPO, CPB's entire enlarged issued and paid-up share capital of RM116,939,000 comprising 233,878,000 Shares shall be listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

(c) On 3 September 2014, Bursa Securities had approved the admission to the Official List and listing and quotation of the entire issued and paid-up share capital of CPB of RM116,939,000 comprising 233,878,000 Shares of RM0.50 each on the "Trading/Services" sector of the Main Market of Bursa Securities.

6.1.11 COMPARATIVE FIGURES

The comparative figures of CPB are in respect of the financial period from 14 March 2012 (date of incorporation) to 30 June 2013.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP****6.2.1 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| | Note | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|-------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Revenue | 6.2.5 | 158,422 | 368,868 | 325,787 | 245,575 |
| Cost of sales | | (137,168) | (330,485) | (285,972) | (202,491) |
| Gross profit ("GP") | | 21,254 | 38,383 | 39,815 | 43,084 |
| Other income | | 217 | 592 | 1,773 | 1,748 |
| | | 21,471 | 38,975 | 41,588 | 44,832 |
| Administrative expenses | | (6,995) | (12,962) | (14,238) | (12,761) |
| Other expenses | | (1,747) | (2,700) | (2,016) | (1,930) |
| Finance costs | | (90) | (369) | (315) | (246) |
| Share of profit of joint venture, net of tax | | - | 347 | 1,102 | 791 |
| Profit before taxation ("PBT") | | 12,639 | 23,291 | 26,121 | 30,686 |
| Depreciation | | 1,313 | 2,195 | 2,422 | 3,380 |
| Interest expense | | 90 | 685 | 694 | 1,656 |
| Interest income | | (131) | (335) | (281) | (502) |
| Earning before depreciation, interest and taxation | | 13,911 | 25,836 | 28,956 | 35,220 |
| Depreciation | | (1,313) | (2,195) | (2,422) | (3,380) |
| Interest expense | | (90) | (685) | (694) | (1,656) |
| Interest income | | 131 | 335 | 281 | 502 |
| PBT | 6.2.6 | 12,639 | 23,291 | 26,121 | 30,686 |
| Income tax expense | 6.2.7 | (3,109) | (6,487) | (6,613) | (8,751) |
| Profit after taxation ("PAT") | | 9,530 | 16,804 | 19,508 | 21,935 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the financial year | | 9,530 | 16,804 | 19,508 | 21,935 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.1 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| PAT attributable to:- | | | | |
| Owners of the Company | 8,312 | 13,984 | 17,077 | 17,219 |
| Non-controlling interests | 1,218 | 2,820 | 2,431 | 4,716 |
| | <u>9,530</u> | <u>16,804</u> | <u>19,508</u> | <u>21,935</u> |
| Total comprehensive income attributable to:- | | | | |
| Owners of the Company | 8,312 | 13,984 | 17,077 | 17,219 |
| Non-controlling interests | 1,218 | 2,820 | 2,431 | 4,716 |
| | <u>9,530</u> | <u>16,804</u> | <u>19,508</u> | <u>21,935</u> |
| <i>GP margin (%)</i> | 13.42 | 10.41 | 12.22 | 17.54 |
| <i>PBT margin (%)</i> | 7.98 | 6.31 | 8.02 | 12.50 |
| <i>PAT margin (%)</i> | 6.02 | 4.56 | 5.99 | 8.93 |
| <i>Effective tax rate (%)</i> | 24.60 | 27.85 | 25.32 | 28.52 |
| <i>Interest coverage (times)</i> | 141 | 35 | 39 | 20 |
| <i>Number of ordinary shares of RM1.00 each in issue ('000)</i> | 1,000 | 1,000 | 1,000 | 1,000 |
| <i>Gross earnings per share ("EPS") (RM)</i> | 12.64 | 23.29 | 26.12 | 30.69 |
| <i>Net EPS (RM)</i> | <u>9.53</u> | <u>16.80</u> | <u>19.51</u> | <u>21.94</u> |

Note:

- * - *The Gross EPS and Net EPS (excluding non-controlling interests) were computed using the PBT and PAT divided by the weighted average number of ordinary shares in issue during the Relevant Financial Period.*

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

| | Note | Audited | | | |
|---|--------|--------------------|--------------------|--------------------|--------------------|
| | | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 6.2.8 | 13,598 | 16,881 | 14,282 | 53,065 |
| Investment in joint venture | 6.2.9 | - | 1,747 | 2,849 | 3,640 |
| Other investments | 6.2.10 | 50 | 50 | 50 | 50 |
| | | <u>13,648</u> | <u>18,678</u> | <u>17,181</u> | <u>56,755</u> |
| CURRENT ASSETS | | | | | |
| Amount owing by contract customers | 6.2.11 | 3,129 | 4,963 | 29,877 | 12,157 |
| Trade receivables | 6.2.12 | 42,613 | 81,063 | 47,201 | 78,639 |
| Other receivables, deposits and prepayments | 6.2.13 | 1,569 | 12,749 | 15,139 | 20,213 |
| Amount owing by joint venture | 6.2.14 | - | - | 2,130 | 2,130 |
| Amount owing by a related party | 6.2.15 | - | - | - | 911 |
| Tax recoverable | | 18 | - | - | 20 |
| Fixed deposits with licensed banks | 6.2.16 | 5,906 | 15,471 | 16,188 | 17,125 |
| Cash and bank balances | | 14,058 | 20,581 | 23,766 | 16,561 |
| | | <u>67,293</u> | <u>134,827</u> | <u>134,301</u> | <u>147,756</u> |
| TOTAL ASSETS | | 80,941 | 153,505 | 151,482 | 204,511 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Share capital | 6.2.17 | 1,000 | 1,000 | 1,000 | 1,000 |
| Retained profits | 6.2.18 | 50,676 | 61,244 | 77,621 | 93,990 |
| Capital reserve | 6.2.19 | 17 | 17 | 17 | 17 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | 51,693 | 62,261 | 78,638 | 95,007 |
| NON-CONTROLLING INTERESTS | | 3,226 | 5,971 | 7,952 | 12,458 |
| TOTAL EQUITY | | 54,919 | 68,232 | 86,590 | 107,465 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

| | Note | Audited | | | |
|---|--------|--------------------|--------------------|--------------------|--------------------|
| | | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| NON-CURRENT LIABILITIES | | | | | |
| Long-term borrowings | 6.2.20 | 2,678 | 6,801 | 5,677 | 33,210 |
| Deferred taxation | 6.2.21 | 333 | 677 | 19 | - |
| | | 3,011 | 7,478 | 5,696 | 33,210 |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 6.2.24 | 14,655 | 18,058 | 20,681 | 11,778 |
| Other payables and accruals | 6.2.25 | 7,518 | 46,341 | 31,011 | 39,424 |
| Amount owing to holding company | 6.2.26 | - | 28 | - | - |
| Dividend payable | | - | 3,000 | - | 210 |
| Provision for taxation | | 369 | 2,817 | 2,283 | 3,735 |
| Short-term borrowings | 6.2.27 | 469 | 5,007 | 5,221 | 7,497 |
| Bank overdrafts | 6.2.28 | - | 2,544 | - | 1,192 |
| | | 23,011 | 77,795 | 59,196 | 63,836 |
| TOTAL LIABILITIES | | 26,022 | 85,273 | 64,892 | 97,046 |
| TOTAL EQUITY AND LIABILITIES | | 80,941 | 153,505 | 151,482 | 204,511 |
| <i>Number of ordinary shares of RM1.00 each in issue ('000)</i> | | 1,000 | 1,000 | 1,000 | 1,000 |
| <i>Net assets ("NA") (RM'000)*</i> | | 51,693 | 62,261 | 78,638 | 95,007 |
| <i>NA per ordinary share (RM)*</i> | | 51.69 | 62.26 | 78.64 | 95.01 |
| <i>Trade receivables turnover period (days)</i> | | 98 | 80 | 53 | 117 |
| <i>Trade payables turnover period (days)</i> | | 9 | 18 | 14 | 17 |
| <i>Gearing ratio (times)</i> | | 0.06 | 0.21 | 0.13 | 0.39 |

Note:

* - Excluding non-controlling interests

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.3 CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before taxation | 12,639 | 23,291 | 26,121 | 30,686 |
| Adjustments for:- | | | | |
| Depreciation of property, plant and equipment | 1,313 | 2,195 | 2,422 | 3,380 |
| Impairment losses on: | | | | |
| - trade receivables | - | - | 120 | 425 |
| - property, plant and equipment | - | - | 500 | 160 |
| Interest income | (131) | (335) | (281) | (502) |
| Interest expense | 90 | 685 | 694 | 1,656 |
| (Gain)/Loss on disposal of property, plant and equipment | 11 | (20) | (8) | (5) |
| Property, plant and equipment written off | - | # | 1 | # |
| Preliminary expenses written off | 23 | 7 | 4 | - |
| Share of profit of joint venture | - | (347) | (1,102) | (791) |
| Unrealised gain on foreign exchange | - | (238) | (136) | (18) |
| Operating profit before working capital changes | 13,945 | 25,238 | 28,335 | 34,991 |
| (Increase)/Decrease in amount owing by contract customers | (3,129) | (1,834) | (24,914) | 17,720 |
| (Increase)/Decrease in trade and other receivables | (6,699) | (49,399) | 31,488 | (36,919) |
| Increase/(Decrease) in trade and other payables | 3,049 | 42,226 | (12,711) | (490) |
| CASH FROM OPERATIONS | 7,166 | 16,231 | 22,198 | 15,302 |
| Interest received | 131 | 335 | 281 | 502 |
| Interest paid | (90) | (685) | (694) | (1,656) |
| Tax refunded | - | - | 266 | - |
| Tax paid | (2,682) | (3,677) | (8,071) | (7,338) |
| NET CASH FROM OPERATING ACTIVITIES | 4,525 | 12,204 | 13,980 | 6,810 |
| BALANCE CARRIED FORWARD | 4,525 | 12,204 | 13,980 | 6,810 |

Note:-

- negligible

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.3 CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

| | Note | Audited | | | |
|---|---------|--------------------|--------------------|--------------------|--------------------|
| | | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| BALANCE BROUGHT FORWARD | | 4,525 | 12,204 | 13,980 | 6,810 |
| CASH FLOWS FOR INVESTING ACTIVITIES | | | | | |
| Purchase of property, plant and equipment | 6.2.29 | (5,484) | (855) | (237) | (9,323) |
| Proceeds from disposal of property, plant and equipment | 6 | 40 | 8 | 5 | |
| Acquisition of joint venture | - | (1,400) | - | - | |
| Advances to a related party | - | - | - | (911) | |
| Advances to joint venture | - | - | (2,130) | - | |
| NET CASH FOR INVESTING ACTIVITIES | | (5,478) | (2,215) | (2,359) | (10,229) |
| CASH FLOWS FOR FINANCING ACTIVITIES | | | | | |
| Drawdown of term loans | - | 962 | - | - | |
| Drawdown of invoice financing | - | 2,950 | 1,034 | - | |
| Drawdown of revolving credits | - | 850 | - | 60 | |
| Dividend paid | (900) | (416) | (3,700) | (850) | |
| Dividend paid to non-controlling interests | (23) | (75) | (450) | - | |
| Placement of pledged deposits | (1,498) | (9,565) | (717) | (937) | |
| Advances from/(Repayment to) holding company | - | 28 | (28) | - | |
| Repayment of term loans | (301) | (341) | (487) | (819) | |
| Repayment of hire purchase obligations | - | (403) | (694) | (748) | |
| Repayment of invoice financing | - | - | - | (1,684) | |
| Repayment of revolving credits | - | - | (850) | - | |
| Repayment of bills payable | (907) | - | - | - | |
| NET CASH FOR FINANCING ACTIVITIES | | (3,629) | (6,010) | (5,892) | (4,978) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (4,582) | 3,979 | 5,729 | (8,397) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | 18,640 | 14,058 | 18,037 | 23,766 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 6.2.30 | 14,058 | 18,037 | 23,766 | 15,369 |

13. ACCOUNTANTS' REPORT (Cont'd)



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6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CSB GROUP (CONT'D)

6.2.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| Audited | Note | Non-Distributable Share Capital RM'000 | Capital Reserve RM'000 | Distributable Retained Profits RM'000 | Attributable To Owners Of The Company RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
|--|--------|---|------------------------------|--|---|--|---------------------------|
| Balance at 1.7.2010 | | 1,000 | 17 | 43,264 | 44,281 | 2,031 | 46,312 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | 8,312 | 8,312 | 1,218 | 9,530 |
| Contributions by and distributions to owners of the Company. | | | | | | | |
| - Dividends: | | | | | | | |
| - by the Company | 6.2.32 | - | - | (900) | (900) | - | (900) |
| - by subsidiaries to non-controlling interests | | - | - | - | - | (23) | (23) |
| Balance at 30.6.2011/1.7.2011 | | 1,000 | 17 | 50,676 | 51,693 | 3,226 | 54,919 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | 13,984 | 13,984 | 2,820 | 16,804 |
| Contributions by and distributions to owners of the Company. | | | | | | | |
| - Dividends: | | | | | | | |
| - by the Company | 6.2.32 | - | - | (3,416) | (3,416) | - | (3,416) |
| - by subsidiaries to non-controlling interests | | - | - | - | - | (75) | (75) |
| Balance at 30.6.2012/1.7.2012 | | 1,000 | 17 | 61,244 | 62,261 | 5,971 | 68,232 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

| Audited | Note | Non-Distributable | | Distributable Retained Profits RM'000 | Attributable To Owners Of The Company RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
|---|--------|----------------------|------------------------|---------------------------------------|--|----------------------------------|---------------------|
| | | Share Capital RM'000 | Capital Reserve RM'000 | | | | |
| Balance at 30.6.2012/1.7.2012 | | 1,000 | 17 | 61,244 | 62,261 | 5,971 | 68,232 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | 17,077 | 17,077 | 2,431 | 19,508 |
| Contributions by and distributions to owners of the Company: | | | | | | | |
| - Dividends: | | | | | | | |
| - by the Company | 6.2.32 | - | - | (700) | (700) | - | (700) |
| - by subsidiaries to non-controlling interests | | - | - | - | - | (450) | (450) |
| Balance at 30.6.2013/1.7.2013 | | 1,000 | 17 | 77,621 | 78,638 | 7,952 | 86,590 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | 17,219 | 17,219 | 4,716 | 21,935 |
| Contributions by and distributions to owners of the Company: | | | | | | | |
| - Dividends: | | | | | | | |
| - by the Company | 6.2.32 | - | - | (850) | (850) | - | (850) |
| - by subsidiaries to non-controlling interests | | - | - | - | - | (210) | (210) |
| Balance at 30.6.2014 | | 1,000 | 17 | 93,990 | 95,007 | 12,458 | 107,465 |

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13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.5 REVENUE**

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Manpower services | | | | |
| - Engineering and exploration | 15,976 | 18,559 | 21,692 | 31,430 |
| - Project development | 56,528 | 66,048 | 81,679 | 54,686 |
| - Production operations | 18,368 | 24,175 | 13,192 | 42 |
| Offshore hook up and commissioning, and production platform system maintenance and upgrading services | 43,931 | 237,190 | 206,011 | 158,928 |
| Minor fabrication services | 23,605 | 22,896 | 3,181 | 120 |
| Equipment rental | 14 | - | 32 | 369 |
| | 158,422 | 368,868 | 325,787 | 245,575 |

6.2.6 PROFIT BEFORE TAXATION

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Profit before taxation is arrived at after charging/(crediting):- | | | | |
| Audit fees: | | | | |
| - statutory | 30 | 89 | 114 | 124 |
| - under/(over)provision in the previous financial year | - | 3 | 6 | (3) |
| - special | - | 21 | - | (5) |
| Depreciation of property, plant and equipment | 1,313 | 2,195 | 2,422 | 3,380 |
| Directors' remuneration | | | | |
| - other emoluments | 447 | 523 | 552 | 554 |
| Property, plant and equipment written off | - | # | 1 | # |

Note:

- negligible

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.6 PROFIT BEFORE TAXATION (CONT'D)**

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Profit before taxation is arrived at after charging/(crediting):- | | | | |
| Impairment loss on trade receivables | - | - | 120 | 425 |
| Impairment loss on property, plant and equipment | - | - | 500 | 160 |
| Interest expense: | | | | |
| - bank overdrafts | - | 38 | 49 | 55 |
| - hire purchase | - | 100 | 207 | 155 |
| - invoice financing | - | 400 | 183 | 239 |
| - revolving credits | - | - | 54 | 1 |
| - term loans | 90 | 147 | 201 | 1,206 |
| Rental of machinery and equipment | 3,403 | 2,540 | 5,757 | 803 |
| Rental of premises | 70 | 62 | 198 | 412 |
| Rental of vehicles, yard and others | 8 | 772 | 710 | 781 |
| Preliminary expenses written off | 23 | 7 | 4 | - |
| Staff costs: | | | | |
| - salaries and other benefits | 62,051 | 64,474 | 62,947 | 42,574 |
| - defined contribution plan | 3,521 | 4,391 | 2,122 | 2,607 |
| (Gain)/Loss on foreign exchange: | | | | |
| - realised | 683 | 865 | (1,069) | (1) |
| - unrealised | - | (238) | (136) | (18) |
| (Gain)/Loss on disposal of property, plant and equipment | 11 | (20) | (8) | (5) |
| Interest income: | | | | |
| - fixed deposits | (131) | (335) | (281) | (502) |
| - others | # | - | # | # |
| Rental income | (38) | (43) | (83) | - |

Note:

- negligible

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.7 INCOME TAX EXPENSE**

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Current tax expense: | | | | |
| - for the financial year | 3,058 | 6,134 | 7,278 | 8,252 |
| - (over)/underprovision in the previous financial year | (13) | 9 | (7) | 518 |
| | <u>3,045</u> | <u>6,143</u> | <u>7,271</u> | <u>8,770</u> |
| Deferred tax expense (Section 6.2.21): | | | | |
| - for the financial year | 64 | (75) | (319) | (19) |
| - under/(over)provision in the previous financial year | - | 419 | (339) | - |
| | <u>64</u> | <u>344</u> | <u>(658)</u> | <u>(19)</u> |
| | <u>3,109</u> | <u>6,487</u> | <u>6,613</u> | <u>8,751</u> |

The corporate tax rate for the Relevant Financial Period under review is 25%.

The statutory tax rate will be reduced to 24% from the Relevant Financial Period rate of 25% effective year of assessment 2016.

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rate to income tax expense at the effective tax rate is as follows:-

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.7 INCOME TAX EXPENSE (CONT'D)**

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Profit before taxation | 12,639 | 23,291 | 26,121 | 30,686 |
| Tax at the statutory tax rate of 25% | 3,160 | 5,823 | 6,530 | 7,672 |
| Tax effects of:- | | | | |
| Share of profit of joint venture | - | (87) | (276) | (198) |
| Non-deductible expenses | 288 | 349 | 540 | 283 |
| Utilisation of deferred tax assets not recognised in the previous financial year | (301) | - | - | - |
| Deferred tax assets not recognised during the financial year | - | - | 192 | 501 |
| Non-taxable income | - | (1) | (2) | - |
| Differential in tax rates | (25) | (25) | (25) | (25) |
| (Over)/underprovision in the previous financial year | | | | |
| - current tax | (13) | 9 | (7) | 518 |
| - deferred tax | - | 419 | (339) | - |
| Income tax expense for the financial year | 3,109 | 6,487 | 6,613 | 8,751 |

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

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Accelerated capital allowances | - | 68 | 229 | (13,781) |
| Unrealised gain on foreign exchange | - | - | (24) | (18) |
| Allowance for impairment losses on trade receivables | - | - | 14 | 487 |
| Allowance for impairment losses on property, plant and equipment | - | - | 500 | 660 |
| Unutilised tax losses | - | 9 | 125 | 123 |
| Unabsorbed capital allowances | - | - | - | 15,375 |
| | - | 77 | 844 | 2,846 |

13. ACCOUNTANTS' REPORT (Cont'd)



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6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CSB GROUP (CONT'D)

6.2.8 PROPERTY, PLANT AND EQUIPMENT

| Audited | Freehold land RM'000 | Leasehold land RM'000 | Buildings RM'000 | Buildings-in-progress RM'000 | Furniture and fittings RM'000 | Operation equipment RM'000 | Operation tools and equipment RM'000 | Office equipment RM'000 | Motor vehicles RM'000 | Plant and equipment RM'000 | Renovation RM'000 | Vessel RM'000 | Vessel-in-progress RM'000 | Others# RM'000 | Total RM'000 |
|--------------------------------------|----------------------|-----------------------|------------------|------------------------------|-------------------------------|----------------------------|--------------------------------------|-------------------------|-----------------------|----------------------------|-------------------|---------------|---------------------------|----------------|--------------|
| Net book value at 1.7.2010 | 225 | 424 | 5,211 | 636 | 202 | 1,746 | - | 195 | 449 | - | 99 | - | - | 257 | 9,444 |
| Additions | - | - | 1,133 | 1,115 | 77 | 526 | 1,827 | 103 | 3 | - | 581 | - | - | 109 | 5,484 |
| Disposals | - | - | - | - | - | - | - | (17) | - | - | - | - | - | - | (17) |
| Depreciation charge | - | (11) | (303) | - | (69) | (512) | (118) | (63) | (124) | - | (30) | - | - | (93) | (1,313) |
| Net book value at 30.6.2011/1.7.2011 | 225 | 413 | 6,041 | 1,751 | 210 | 1,760 | 1,709 | 228 | 328 | - | 660 | - | - | 273 | 13,598 |
| Additions | - | - | 1,156 | 130 | 102 | 22 | 2,334 | 72 | 252 | 836 | 313 | - | - | 281 | 5,498 |
| Disposals | - | - | - | - | (1) | - | - | - | (19) | - | - | - | - | - | (20) |
| Written off | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | (16) | (355) | - | (63) | (529) | (706) | (68) | (155) | (58) | (75) | - | - | (148) | (2,195) |
| Net book value at 30.6.2012/1.7.2012 | 225 | 395 | 6,842 | 1,881 | 228 | 1,253 | 3,337 | 232 | 406 | 778 | 898 | - | - | 406 | 16,881 |
| Additions | - | - | - | - | 22 | - | 56 | 3 | - | - | 209 | - | - | 34 | 324 |
| Reclassification | - | - | 1,881 | (1,881) | - | (20) | - | - | - | - | - | - | - | 20 | - |
| Written off | - | - | - | - | - | - | - | - | (1) | - | - | - | - | - | (1) |
| Impairment losses | - | - | - | - | - | (350) | - | (50) | - | - | (30) | - | - | (70) | (500) |
| Depreciation charge | - | (22) | (417) | - | (92) | (528) | (843) | (93) | (140) | (84) | (124) | - | - | (142) | (2,422) |
| Net book value at 30.6.2013/1.7.2013 | 225 | 373 | 8,369 | - | 158 | 355 | 2,550 | 92 | 265 | 694 | 953 | - | - | 248 | 14,282 |
| Additions | - | - | - | - | 11 | - | 156 | 55 | - | 87 | - | 39,521 | 2,482 | 11 | 42,323 |
| Written off | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment losses | - | - | - | - | - | - | - | (75) | - | - | - | - | - | (85) | (160) |
| Depreciation charge | - | (22) | (417) | - | (59) | (111) | (1,066) | (57) | (125) | (86) | (119) | (1,187) | - | (125) | (3,380) |
| Net book value at 30.6.2014 | 225 | 351 | 7,952 | - | 110 | 244 | 1,640 | 15 | 136 | 693 | 834 | - | 2,482 | 49 | 53,065 |

Notes:

Others includes computers and telecommunication equipment

* Negligible

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13. ACCOUNTANTS' REPORT (Cont'd)



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6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CSB GROUP (CONT'D)

6.2.8 PROPERTY, PLANT AND EQUIPMENT

| Audited | Freehold land RM'000 | Leasehold land RM'000 | Buildings RM'000 | Buildings-in-progress RM'000 | Furniture and fittings RM'000 | Operation equipment RM'000 | Operation tools and equipment RM'000 | Office equipment RM'000 | Motor vehicles RM'000 | Plant and equipment RM'000 | Renovation RM'000 | Vessel RM'000 | Vessel-in-progress RM'000 | Others# RM'000 | Total RM'000 |
|-------------------------------|----------------------|-----------------------|------------------|------------------------------|-------------------------------|----------------------------|--------------------------------------|-------------------------|-----------------------|----------------------------|-------------------|---------------|---------------------------|----------------|--------------|
| At 30.6.2011 | | | | | | | | | | | | | | | |
| At cost | 225 | 440 | 6,782 | 1,751 | 411 | 2,762 | 1,827 | 374 | 1,164 | - | 735 | - | - | 746 | 17,217 |
| Accumulated depreciation | - | (27) | (741) | - | (201) | (1,002) | (118) | (146) | (836) | - | (75) | - | - | (473) | (3,619) |
| Net book value | 225 | 413 | 6,041 | 1,751 | 210 | 1,760 | 1,709 | 228 | 328 | - | 660 | - | - | 273 | 13,598 |
| At 30.6.2012 | | | | | | | | | | | | | | | |
| At cost | 225 | 440 | 7,938 | 1,881 | 512 | 2,784 | 4,161 | 446 | 1,306 | 836 | 1,048 | - | - | 1,025 | 22,602 |
| Accumulated depreciation | - | (45) | (1,096) | - | (264) | (1,531) | (824) | (214) | (900) | (58) | (150) | - | - | (619) | (5,721) |
| Net book value | 225 | 395 | 6,842 | 1,881 | 228 | 1,253 | 3,337 | 232 | 406 | 778 | 898 | - | - | 406 | 16,881 |
| At 30.6.2013 | | | | | | | | | | | | | | | |
| At cost | 225 | 440 | 9,820 | - | 533 | 2,764 | 4,217 | 449 | 1,303 | 836 | 1,257 | - | - | 1,080 | 22,924 |
| Accumulated depreciation | - | (67) | (1,451) | - | (375) | (2,059) | (1,667) | (307) | (1,038) | (142) | (274) | - | - | (762) | (8,142) |
| Accumulated impairment losses | - | - | - | - | - | (350) | - | (50) | - | - | (30) | - | - | (70) | (500) |
| Net book value | 225 | 373 | 8,369 | - | 158 | 355 | 2,550 | 92 | 265 | 694 | 953 | - | - | 248 | 14,282 |
| At 30.6.2014 | | | | | | | | | | | | | | | |
| At cost | 225 | 440 | 9,820 | - | 542 | 2,764 | 4,374 | 504 | 1,303 | 923 | 1,257 | 39,521 | 2,482 | 1,092 | 65,247 |
| Accumulated depreciation | - | (89) | (1,868) | - | (432) | (2,170) | (2,734) | (364) | (1,167) | (230) | (393) | (1,187) | - | (888) | (11,522) |
| Accumulated impairment losses | - | - | - | - | - | (350) | - | (125) | - | - | (30) | - | - | (155) | (660) |
| Net book value | 225 | 351 | 7,952 | - | 110 | 244 | 1,640 | 15 | 136 | 693 | 834 | 38,334 | 2,482 | 49 | 53,065 |

Note:

Others includes computers and telecommunication equipment

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13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Included in net book value of property, plant and equipment at the end of the Relevant Financial Period are the following assets pledged to financial institutions as security for banking facilities granted to CSB Group:-

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|-----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Buildings | 4,939 | 6,898 | 6,523 | 6,148 |
| Vessel | - | - | - | 37,562 |
| | <u>4,939</u> | <u>6,898</u> | <u>6,523</u> | <u>43,710</u> |

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

| | Audited FYE 2011 RM'000 | Audited FYE 2012 RM'000 | Audited FYE 2013 RM'000 | Audited FYE 2014 RM'000 |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Operation tools and equipment | - | 2,569 | 2,031 | 1,343 |
| Plant and equipment | - | 778 | 694 | 611 |
| | <u>-</u> | <u>3,347</u> | <u>2,725</u> | <u>1,954</u> |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.9 INVESTMENT IN JOINT VENTURE**

| | Audited | | | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Unquoted shares, at cost | - | 1,400 | 1,400 | 1,400 |
| Share of post-acquisition profits | - | 347 | 1,449 | 2,240 |
| | - | 1,747 | 2,849 | 3,640 |

On 19 September 2011, CSB Group acquired 15,000 ordinary shares of RM1.00 each representing 15% of the issued and paid-up capital of Synergy Kenyalang Offshore Sdn. Bhd. ("SKO") for a total cash consideration of RM15,000.

On 12 June 2012, SKO allotted 9,900,000 ordinary shares and CSB Group subscribed for the additional 1,485,000 ordinary shares of RM1.00 each to retain its equity interest of 15%.

On 22 June 2012, CSB Group transferred 100,000 ordinary shares of RM1.00 each representing 1% of the issued and paid-up capital of SKO to a third party.

The details of the joint venture are as follows:-

| Name of company | Country of incorporation | Interest in equity held by | | | | | | | | Principal activity |
|---------------------------------------|--------------------------|----------------------------|------|----------------|------|------|------|------|------|--|
| | | CSB | | Carimin Marine | | | | | | |
| | | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | |
| Synergy Kenyalang Offshore Sdn. Bhd.* | Malaysia | - | - | - | - | - | 14% | 14% | 14% | Providing chartering of offshore support vessel. |

* Not audited by Messrs. Crowe Horwath

(a) Held by Carimin Marine. The results of SKO are equity accounted based on the audited financial results for the period from 1 January 2013 to 31 December 2013, (FYE 2013 - 1 January 2012 to 31 December 2012; FYE 2012 - 30 June 2011 (date of incorporation to 31 December 2011), and the unaudited management accounts for the period ended 30 June 2014 (FYE 2013 - 30 June 2013; FYE 2012 - 30 June 2012) respectively.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.9 INVESTMENT IN JOINT VENTURE (CONT'D)**

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

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| <u>At 30 June</u> | | | | |
| Non-current assets | - | 85,187 | 80,658 | 76,130 |
| Current assets | - | 14,508 | 21,995 | 26,859 |
| Non-current liabilities | - | (521) | (62,908) | (63,716) |
| Current liabilities | - | (86,698) | (15,839) | (12,548) |
| | - | 12,476 | 23,906 | 26,725 |
| <u>Financial year ended 30 June</u> | | | | |
| Revenue | - | 21,041 | 26,750 | 27,009 |
| Profit for the financial year | - | 2,476 | 7,877 | 5,650 |
| Total comprehensive income | - | 2,476 | 7,877 | 5,650 |
| Group's share of profit for the financial year | - | 347 | 1,102 | 791 |
| Group's share of total comprehensive income | - | 347 | 1,102 | 791 |
| Dividend received | - | - | - | - |
| <u>Reconciliation of net assets to carrying amount</u> | | | | |
| Group's share of net assets above Goodwill on acquisition | - | 1,747 | 3,347 | 3,742 |
| | - | - | - | - |
| Carrying amount of the Group's interest in this joint venture | - | 1,747 | 2,849 | 3,640 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.10 OTHER INVESTMENTS**

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Investment in club membership, at fair value | 50 | 50 | 50 | 50 |

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

6.2.11 AMOUNT OWING BY CONTRACT CUSTOMERS

| | Audited | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Contract costs incurred to-date | 28,022 | 48,355 | 95,396 | 78,648 |
| Attributable profits | 4,190 | 8,523 | 12,026 | 12,353 |
| | 32,212 | 56,878 | 107,422 | 91,001 |
| Progress billings | (29,083) | (51,915) | (77,545) | (78,884) |
| | 3,129 | 4,963 | 29,877 | 12,117 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.12 TRADE RECEIVABLES**

| | Audited | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Trade receivables | 27,139 | 37,975 | 25,878 | 21,830 |
| Allowance for impairment losses | - | - | (120) | (545) |
| | 27,139 | 37,975 | 25,758 | 21,285 |
| Accrued billings | 14,699 | 41,814 | 20,692 | 57,134 |
| Retention sum | 775 | 1,274 | 751 | 220 |
| | 42,613 | 81,063 | 47,201 | 78,639 |

| | Audited | | | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Allowance for impairment losses: | | | | |
| At 1 July | - | - | - | (120) |
| Additions during the financial year | - | - | (120) | (425) |
| At 30 June | - | - | (120) | (545) |

CSB Group normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

| | Audited | | | |
|-------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other receivables | 3 | 100 | 607 | 705 |
| Advances | 1,258 | 10,003 | 10,042 | 18,513 |
| Deposits | 165 | 2,379 | 3,895 | 249 |
| Prepayments | 143 | 267 | 595 | 746 |
| | <u>1,569</u> | <u>12,749</u> | <u>15,139</u> | <u>20,213</u> |

Included in other receivables, deposits and prepayments of CSB Group are the following advances paid to suppliers for future supplies of services and materials:

| | Audited | | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Advances to suppliers | 1,018 | 9,967 | 9,855 | 17,239 |

These deposits shall be recovered by way of set-off against the supplies of services and materials.

6.2.14 AMOUNT OWING BY JOINT VENTURE

| | Audited | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Amount owing by joint venture | - | - | 2,130 | 2,130 |

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

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.15 AMOUNT OWING BY A RELATED PARTY**

| | Audited | | | |
|---------------------------------|----------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Amount owing by a related party | - | - | - | 911 |

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

6.2.16 FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits were the following deposits pledged to licensed banks as security for banking facilities granted to CSB Group:-

| | Audited | | | |
|------------------------------------|----------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fixed deposits with licensed banks | 5,906 | 15,471 | 16,188 | 17,125 |

The effective interest rates and maturity periods of the fixed deposits at the end of the Relevant Financial Period are as follows:-

| | Audited | | | |
|----------------------------|----------------|----------------|----------------|----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Effective interest rates % | 2.50% to 2.85% | 2.55% to 5.00% | 2.55% to 5.00% | 2.55% to 3.20% |
| Maturity period (days) | 365 | 30 to 365 | 30 to 365 | 30 to 365 |

6.2.17 SHARE CAPITAL

| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
|-------------------------------|----------|-----------------------------|----------|----------|----------|----------|----------|----------|
| | ('000) | Number of shares ('000) | ('000) | ('000) | RM'000 | RM'000 | RM'000 | RM'000 |
| Ordinary shares of RM1 each:- | | | | | | | | |
| Authorised | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Issued and fully paid-up | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.18 RETAINED PROFITS**

Under the single-tier tax system, tax on CSB's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

6.2.19 CAPITAL RESERVE

| | Audited | | | |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Capital reserve | 17 | 17 | 17 | 17 |

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

6.2.20 LONG-TERM BORROWINGS

| | Audited | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Hire purchase payables (Section 6.2.22) | - | 2,675 | 2,000 | 1,199 |
| Term loans (Section 6.2.23) | 2,678 | 4,126 | 3,677 | 32,011 |
| | <u>2,678</u> | <u>6,801</u> | <u>5,677</u> | <u>33,210</u> |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.21 DEFERRED TAXATION**

| | Audited | | | |
|--|----------------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 July | 269 | 333 | 677 | 19 |
| Recognised in profit or loss (Section 6.2.7) | 64 | 344 | (658) | (19) |
| At 30 June | 333 | 677 | 19 | - |

The deferred tax liabilities/(asset) are attributable to the following:-

| | Audited | | | |
|--|----------------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Taxable temporary differences: | | | | |
| Accelerated capital allowances | 333 | 665 | 17 | - |
| Other temporary differences | - | 12 | 28 | - |
| | 333 | 677 | 45 | - |
| Deductible temporary differences: | | | | |
| Allowance for impairment losses on trade receivables | - | - | (26) | - |
| | 333 | 677 | 19 | - |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.22 HIRE PURCHASE PAYABLES**

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Minimum hire purchase payments: | | | | |
| - not later than one year | - | 883 | 904 | 904 |
| - later than one year and not later than five years | - | 2,977 | 2,157 | 1,254 |
| | - | 3,860 | 3,061 | 2,158 |
| Less: Future finance charges | - | (504) | (312) | (157) |
| Present value of hire purchase payables | - | 3,356 | 2,749 | 2,001 |

The net hire purchase payables are repayable as follows:-

Current (Section 6.2.27):

| | | | | |
|---------------------------|---|-----|-----|-----|
| - not later than one year | - | 681 | 749 | 802 |
|---------------------------|---|-----|-----|-----|

Non-current (Section 6.2.20):

| | | | | |
|--|---|-------|-------|-------|
| - later than one year and not later than five years | - | 2,675 | 2,000 | 1,199 |
|--|---|-------|-------|-------|

| | | | | |
|--|---|-------|-------|-------|
| | - | 3,356 | 2,749 | 2,001 |
|--|---|-------|-------|-------|

The effective interest rates of the hire purchase payables at the end of the Relevant Financial Period are as follows:-

| | Audited | | | |
|-----------------------------------|----------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Effective interest rate per annum | - | 3.50% | 3.50% | 3.50% |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.23 TERM LOANS**

| | Audited | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Current portion: (Section 6.2.27) | | | | |
| - not later than one year | 469 | 526 | 488 | 4,335 |
| Non-current portion: (Section 6.2.20) | | | | |
| - later than one year and not later than two years | 469 | 552 | 488 | 4,539 |
| - later than two years and not later than five years | 1,407 | 1,780 | 2,181 | 14,867 |
| - later than five years | 802 | 1,794 | 1,008 | 12,605 |
| | 2,678 | 4,126 | 3,677 | 32,011 |
| | 3,147 | 4,652 | 4,165 | 36,346 |

The effective interest rates of the term loans at the end of the Relevant Financial Period are as follows:-

| | Audited | | | |
|------------------------------------|----------|----------------|----------------|----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Effective interest rates per annum | 2.20% | 3.00% to 5.00% | 3.00% to 5.00% | 3.00% to 5.00% |

Details of repayment terms are as follows:

| Term Loans | Number of Monthly Instalments | Monthly Instalment RM | Date of Commencement of Repayment | Interest Rate Per Annum | Amount Outstanding | | | |
|---------------|--|-----------------------------|---|----------------------------|--------------------|--------------------|--------------------|--------------------|
| | | | | | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| 1 | 108 | 39,200 | 1 February 2010 | 4.40% | 3,147 | 2,813 | 2,463 | 2,100 |
| 2 | 120 | 9,896 | 1 May 2012 | 4.60% | - | 955 | 880 | 801 |
| 3 | 120 | 10,227 | 1 August 2012 | 4.45% | - | 884 | 822 | 748 |
| 4 | 96 | 437,343 | 1 December 2013 | 4.80% | - | - | - | 32,697 |
| | | | | | 3,147 | 4,652 | 4,165 | 36,346 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.23 TERM LOANS (CONT'D)**

The term loans are secured by:-

- (i) a Facility Agreement totalling RM17,000,000 stamped as principal instruments;
- (ii) legal charges over certain buildings and the vessel as disclosed in Section 6.2.8;
- (iii) a Deed of Assignment and an assignment over the Collection Account over certain contract proceeds;
- (iv) a letter of set-off against sinking funds account and subordination of debts;
- (v) pledges of fixed deposits as disclosed in Section 6.2.16;
- (vi) a first preferred mortgage on the vessel;
- (vii) a first fixed and floating charge by way of Debenture on the present and future assets of a subsidiary inclusive of the vessel;
- (viii) an insurance policy assignment on the vessel;
- (ix) a corporate guarantee of the holding company; and
- (x) a joint and several guarantee of certain directors of CSB Group.

6.2.24 TRADE PAYABLES

| | Audited | | | |
|----------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Trade payables | 14,655 | 18,058 | 20,681 | 11,778 |

The normal trade credit terms granted to CSB Group at the end of the Relevant Financial Period are as follows:-

| | Audited | | | |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Credit terms (days) | 30 - 120 | 30 - 60 | 30 - 60 | 30 - 60 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.25 OTHER PAYABLES AND ACCRUALS**

| | Audited | | | |
|-------------------|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Other payables | 94 | 61 | 109 | 25 |
| Accruals | 7,424 | 46,265 | 30,887 | 39,399 |
| Deposits received | - | 15 | 15 | - |
| | 7,518 | 46,341 | 31,011 | 39,424 |

6.2.26 AMOUNT OWING TO HOLDING COMPANY

| | Audited | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Amount owing to holding company | - | 28 | - | - |

The amount owing in FYE 2012 was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.27 SHORT-TERM BORROWINGS**

| | Audited | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Invoice financing | - | 2,950 | 3,984 | 2,300 |
| Hire purchase payables (Section 6.2.22) | - | 681 | 749 | 802 |
| Revolving credits | - | 850 | - | 60 |
| Term loans (Section 6.2.23) | 469 | 526 | 488 | 4,335 |
| | 469 | 5,007 | 5,221 | 7,497 |

The effective interest rates of the invoice financing and revolving credits of CSB Group at the end of the Relevant Financial Period are as follows:-

| | Audited | | | |
|---|----------|----------------|----------------|----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Effective interest rate per annum per annum | | | | |
| Invoice financing | - | 4.51% to 4.90% | 4.46% to 4.47% | 4.58% to 4.60% |
| Revolving credits | - | 4.51% to 4.90% | - | 4.58% to 4.60% |

The invoice financing and revolving credits at the end of the Relevant Financial Periods were secured in the same manner as the term loans as disclosed in Section 6.2.23 in this report.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.28 BANK OVERDRAFTS**

The bank overdrafts at the end of the Relevant Financial Period of CSB Group bore the following effective interest rates:

| Bank overdrafts | Audited | | | |
|------------------------------------|----------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Effective interest rates per annum | - | 8.10% | - | 8.10% |

The bank overdrafts are secured in the same manner as the term loans as disclosed in Section 6.2.23 in this report.

6.2.29 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Cost of property, plant and equipment purchased | 5,484 | 5,498 | 324 | 42,323 |
| Amount financed through borrowings | - | (4,643) | (87) | (33,000) |
| Cash disbursed for purchase of property, plant and equipment | 5,484 | 855 | 237 | 9,323 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.30 CASH AND CASH EQUIVALENTS**

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

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Fixed deposits with licensed banks (Section 6.2.16) | 5,906 | 15,471 | 16,188 | 17,125 |
| Cash and bank balances | 14,058 | 20,581 | 23,766 | 16,561 |
| Bank overdrafts (Section 6.2.28) | - | (2,544) | - | (1,192) |
| | 19,964 | 33,508 | 39,954 | 32,494 |
| Less: Fixed deposits pledged to licensed banks | (5,906) | (15,471) | (16,188) | (17,125) |
| | 14,058 | 18,037 | 23,766 | 15,369 |

6.2.31 ACQUISITION OF SUBSIDIARIES

During the FYE 2013, a subsidiary of CSB Group, Carimin Marine Services Sdn. Bhd. ("Carimin Marine") acquired 100% of the equity interest comprising 3 ordinary shares of RM1.00 each in Carimin Airis Offshore Sdn. Bhd. ("Carimin Airis") for a total cash consideration of RM3.00 which represents the entire issued and paid-up capital of Carimin Airis.

During the FYE 2012, CSB acquired 100% of the equity interest comprising 2 ordinary shares of RM1.00 each in Carimin Marine for a total cash consideration of RM2.00 which represents the entire issued and paid-up capital of Carimin Marine.

During the FYE 2011, CSB acquired 100% of the equity interest comprising 10 ordinary shares of RM1.00 each in Carimin Equipment, Carimin Resources and Carimin Corporate for a total cash consideration of RM10.00 each which represent the entire issued and paid-up capital of Carimin Equipment, Carimin Resources and Carimin Corporate.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.31 ACQUISITION OF SUBSIDIARIES (CONT'D)**

The fair values of the identifiable assets and liabilities of the subsidiaries acquired as at the date of acquisition have no material impact on the financial statements of CSB Group.

The acquired subsidiaries have contributed the following results to CSB Group:

| | Audited | | | |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Revenue | - | - | - | - |
| Loss after taxation | (153) | (34) | (8) | - |

6.2.32 DIVIDENDS

| | Audited | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Paid: | | | | |
| Single-tier interim dividend of RM0.90 per ordinary share, in respect of the FYE 2011 | 900 | - | - | - |
| First single-tier interim dividend of RM0.416 per ordinary share, in respect of the FYE 2012 | - | 416 | - | - |
| Single-tier interim dividend of RM0.70 per ordinary share, in respect of the FYE 2013 | - | - | 700 | - |
| Single-tier interim dividend of RM0.85 per ordinary share, in respect of the FYE 2014 | - | - | - | 850 |
| Declared and payable: | | | | |
| Second single-tier interim dividend of RM3.00 per ordinary share, in respect of the FYE 2012 | - | 3,000 | - | - |
| | <u>900</u> | <u>3,416</u> | <u>700</u> | <u>850</u> |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.33 RELATED PARTY DISCLOSURES****(a) Identities of related parties**

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

(b) Other than those disclosed elsewhere in the financial statements, CSB Group carried out the following transactions with the related parties during the Relevant Financial Period under review:-

(i) Joint venture
 Synergy Kenyalang
 Offshore Sdn. Bhd.
 - charter fees

| Audited | | | |
|-----------------|-----------------|-----------------|-----------------|
| FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| RM'000 | RM'000 | RM'000 | RM'000 |
| - | - | - | 22,906 |

(ii) Key management personnel compensation:
 - short-term employee benefits

| Audited | | | |
|-----------------|-----------------|-----------------|-----------------|
| FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| RM'000 | RM'000 | RM'000 | RM'000 |
| 447 | 523 | 552 | 554 |

6.2.34 CAPITAL COMMITMENTS**Contracted but not provided for:-**

Purchase of property, plant and equipment

| Audited | | | |
|-----------------|-----------------|-----------------|-----------------|
| FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| RM'000 | RM'000 | RM'000 | RM'000 |
| 293 | - | 33,520 | 77,088 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.35 CONTINGENT LIABILITY**

| | Audited | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries | 83,650 | 83,650 | 11,620 | 38,250 |

6.2.36 FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the Relevant Financial Period are as follows:-

| | Audited | | | |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Australian Dollar | 3.22 | 3.24 | 2.92 | 3.02 |
| United States Dollar | 3.04 | 3.19 | 3.16 | 3.21 |
| British Pound Sterling | 4.86 | - | - | - |
| Singapore Dollar | - | - | 2.50 | 2.57 |

13. ACCOUNTANTS' REPORT (Cont'd)

**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS**

CSB 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. CSB Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on CSB Group's financial performance.

(a) Financial Risk Management Policies

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

(i) Market Risk*(i) Foreign Currency Risk*

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

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure

| | United States Dollar RM'000 | Australian Dollar RM'000 | Singapore Dollar RM'000 | Ringgit Malaysia RM'000 | Total RM'000 |
|------------------------------------|-----------------------------|--------------------------|-------------------------|-------------------------|----------------|
| Audited | | | | | |
| FYE 2014 | | | | | |
| Financial Assets | | | | | |
| Other investments | - | - | - | 50 | 50 |
| Amount owing by contract customers | - | - | - | 12,157 | 12,157 |
| Trade receivables | 4,022 | - | 682 | 73,935 | 78,639 |
| Other receivables and deposits | 5 | - | - | 19,462 | 19,467 |
| Amount owing by joint venture | - | - | - | 2,130 | 2,130 |
| Amount owing by a related party | - | - | - | 911 | 911 |
| Fixed deposits with licensed banks | - | - | - | 17,125 | 17,125 |
| Cash and bank balances | 7,369 | 64 | 306 | 8,822 | 16,561 |
| | 11,396 | 64 | 988 | 134,592 | 147,040 |

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13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| Audited FYE 2014 | United States | | | | Singapore | | Ringgit Malaysia | | Total RM'000 |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------|-----------------|
| | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | | |
| Financial Liabilities | | | | | | | | | |
| Trade payables | 687 | - | - | - | - | - | 11,091 | - | 11,778 |
| Other payables and accruals | - | - | - | - | - | - | 39,424 | - | 39,424 |
| Dividend payable | - | - | - | - | - | - | 210 | - | 210 |
| Invoice financing | - | - | - | - | - | - | 2,300 | - | 2,300 |
| Revolving credits | - | - | - | - | - | - | 60 | - | 60 |
| Hire purchase payables | - | - | - | - | - | - | 2,001 | - | 2,001 |
| Term loans | - | - | - | - | - | - | 36,346 | - | 36,346 |
| Bank overdrafts | - | - | - | - | - | - | 1,192 | - | 1,192 |
| | 687 | - | - | - | - | - | 92,624 | - | 93,311 |

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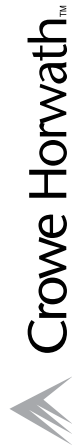
13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| | United States Dollar RM'000 | Australian Dollar RM'000 | Singapore Dollar RM'000 | Ringgit Malaysia RM'000 | Total RM'000 |
|--|-----------------------------|--------------------------|-------------------------|-------------------------|---------------|
| Audited | | | | | |
| FYE 2014 | | | | | |
| Net financial assets | 10,709 | 64 | 988 | 41,968 | 53,729 |
| Less: Net financial assets denominated in the respective entities' functional currencies | - | - | - | (41,968) | (41,968) |
| Currency Exposure | 10,709 | 64 | 988 | - | 11,761 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| Audited | United States | | Australian Singapore | | Ringgit Malaysia | | Total |
|------------------------------------|---------------|--------|----------------------|--------|------------------|---------|---------|
| | Dollar | RM'000 | Dollar | RM'000 | RM'000 | RM'000 | |
| Financial Assets | | | | | | | |
| Other investments | - | - | - | - | 50 | 50 | 50 |
| Amount owing by contract customers | - | - | - | - | 29,877 | 29,877 | 29,877 |
| Trade receivables | 6,489 | - | 525 | - | 40,187 | 47,201 | 47,201 |
| Other receivables and deposits | - | - | - | - | 14,544 | 14,544 | 14,544 |
| Amount owing by joint venture | - | - | - | - | 2,130 | 2,130 | 2,130 |
| Fixed deposits with licensed banks | - | - | - | - | 16,188 | 16,188 | 16,188 |
| Cash and bank balances | 4,619 | 63 | 2,574 | - | 16,510 | 23,766 | 23,766 |
| | 11,108 | 63 | 3,099 | - | 119,486 | 133,756 | 133,756 |

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13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| Audited | United States | | | | Singapore | | Ringgit Malaysia | | Total |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------|---------------|
| | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | RM'000 | RM'000 | |
| Financial Liabilities | | | | | | | | | |
| Trade payables | 2,652 | - | - | - | - | - | 18,029 | - | 20,681 |
| Other payables and accruals | - | - | - | - | - | - | 31,011 | - | 31,011 |
| Invoice financing | - | - | - | - | - | - | 3,984 | - | 3,984 |
| Hire purchase payables | - | - | - | - | - | - | 2,749 | - | 2,749 |
| Term loans | - | - | - | - | - | - | 4,165 | - | 4,165 |
| | 2,652 | - | - | - | - | - | 59,938 | - | 62,590 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| Audited | United States | | | | Singapore | | Malaysia | | Total |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|-------|
| | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | | |
| FYE 2013 | | | | | | | | | |
| Net financial assets | 8,456 | 63 | 3,099 | 59,548 | | | | 71,166 | |
| Less: Net financial assets denominated in the respective entities' functional currencies | - | - | - | (59,548) | | | | (59,548) | |
| Currency Exposure | 8,456 | 63 | 3,099 | - | - | - | (59,548) | 11,618 | |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| | United States Dollar RM'000 | Australian Dollar RM'000 | Ringgit Malaysia RM'000 | Total RM'000 |
|------------------------------------|-----------------------------|--------------------------|-------------------------|--------------|
| Audited | | | | |
| FYE 2012 | | | | |
| Financial Assets | | | | |
| Other investments | - | - | 50 | 50 |
| Amount owing by contract customers | - | - | 4,963 | 4,963 |
| Trade receivables | 4,360 | - | 76,703 | 81,063 |
| Other receivables and deposits | 5 | - | 12,477 | 12,482 |
| Fixed deposits with licensed banks | - | - | 15,471 | 15,471 |
| Cash and bank balances | 2,718 | 70 | 17,793 | 20,581 |
| | 7,083 | 70 | 127,457 | 134,610 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| | United States Dollar RM'000 | Australian Dollar RM'000 | Ringgit Malaysia RM'000 | Total RM'000 |
|---------------------------------|-----------------------------|--------------------------|-------------------------|--------------|
| Audited | | | | |
| FYE 2012 | | | | |
| Financial Liabilities | | | | |
| Trade payables | - | - | 18,058 | 18,058 |
| Other payables and accruals | - | - | 46,341 | 46,341 |
| Amount owing to holding company | - | - | 28 | 28 |
| Dividend payable | - | - | 3,000 | 3,000 |
| Revolving credits | - | - | 850 | 850 |
| Invoice financing | - | - | 2,950 | 2,950 |
| Bank overdrafts | - | - | 2,544 | 2,544 |
| Hire purchase payables | - | - | 3,356 | 3,356 |
| Term loans | - | - | 4,652 | 4,652 |
| | - | - | 81,779 | 81,779 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| | United States | | | Australian Dollar | | Ringgit Malaysia | | Total RM'000 |
|--|------------------|------------------|------------------|-------------------|------------------|------------------|--|-----------------|
| | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | Dollar RM'000 | | |
| Audited | | | | | | | | |
| FYE 2012 | | | | | | | | |
| Net financial assets | 7,083 | | 70 | 45,678 | | | | 52,831 |
| Less: Net financial assets denominated in the respective entities' functional currencies | - | | - | (45,678) | | | | (45,678) |
| Currency Exposure | 7,083 | | 70 | - | | | | 7,153 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| Audited | United States Dollar | British Pound Sterling | Australian Dollar | Ringgit Malaysia | Total |
|------------------------------------|----------------------|------------------------|-------------------|------------------|--------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Financial Assets | | | | | |
| Other investments | - | - | - | 50 | 50 |
| Amount owing by contract customers | - | - | - | 3,129 | 3,129 |
| Trade receivables | 5,211 | - | - | 37,402 | 42,613 |
| Other receivables and deposits | - | - | - | 1,426 | 1,426 |
| Fixed deposits with licensed banks | - | - | - | 5,906 | 5,906 |
| Cash and bank balances | 6,852 | 8 | 69 | 7,129 | 14,058 |
| | 12,063 | 8 | 69 | 55,042 | 67,182 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

Foreign currency exposure (Cont'd)

| Audited FYE 2011 | United States Dollar RM'000 | | British Pound Sterling RM'000 | | Australian Dollar RM'000 | | Ringgit Malaysia RM'000 | | Total RM'000 | |
|--|-----------------------------|--|-------------------------------|--|--------------------------|--|-------------------------|--|--------------|--|
| | | | | | | | | | | |
| Financial Liabilities | | | | | | | | | | |
| Trade payables | 2,564 | | 1,124 | | - | | 10,967 | | 14,655 | |
| Other payables and accruals | - | | - | | - | | 7,518 | | 7,518 | |
| Term loans | - | | - | | - | | 3,147 | | 3,147 | |
| | 2,564 | | 1,124 | | - | | 21,632 | | 25,320 | |
| Net financial assets | 9,499 | | (1,116) | | 69 | | 33,410 | | 41,862 | |
| Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies | - | | - | | - | | (33,410) | | (33,410) | |
| Currency Exposure | 9,499 | | (1,116) | | 69 | | - | | 8,452 | |

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13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) 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 Relevant Financial Period, with all other variables held constant:-

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Effects On Profit After Taxation And Equity | | | | |
| USD/RM: | | | | |
| - strengthened by 10% | +712 | +531 | +634 | +803 |
| - weakened by 10% | -712 | -531 | -634 | -803 |
| AUD/RM: | | | | |
| - strengthened by 10% | +5 | +5 | +5 | +5 |
| - weakened by 10% | -5 | -5 | -5 | -5 |
| SGD/RM: | | | | |
| - strengthened by 10% | - | - | +232 | +74 |
| - weakened by 10% | - | - | -232 | -74 |
| BP/RM: | | | | |
| - strengthened by 10% | -84 | - | - | - |
| - weakened by 10% | +84 | - | - | - |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(ii) Interest Rate Risk**

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

Information relating to CSB Group's exposure to the interest rate risk of the financial assets and liabilities are disclosed in Sections 6.2.16, 6.2.20, 6.2.27 and 6.2.28 of this report respectively.

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 Relevant Financial Period, with all other variables held constant:-

| | Audited | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FYE 2011 RM'000 | FYE 2012 RM'000 | FYE 2013 RM'000 | FYE 2014 RM'000 |
| Effects On Profit After Taxation | | | | |
| Increase of 100 basis points (bp) | +28 | +8 | +40 | -186 |
| Decrease of 100 bp | -28 | -8 | -40 | +186 |
| Effects On Equity | | | | |
| Increase of 100 bp | +28 | +8 | +40 | -186 |
| Decrease of 100 bp | -28 | -8 | -40 | +186 |

13. ACCOUNTANTS' REPORT (Cont'd)

**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(iii) Equity Price Risk**

CSB Group does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

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

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

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)****(a) Credit risk concentration profile**

CSB Group's major concentration of credit risk relates to the trade receivables at the end of the Relevant Financial Period as follows:-

| | Audited | | | |
|---------------------|----------------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| Number of customers | 4 | 3 | 3 | 3 |
| Percentage | 74% | 84% | 69% | 61% |

(b) Exposure to credit risk

As CSB Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the Relevant Financial Period.

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

| | Audited | | | |
|----------|----------------|----------|----------|----------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 42,613 | 80,638 | 46,892 | 77,957 |
| Myanmar | - | 425 | 309 | 682 |
| | 42,613 | 81,063 | 47,201 | 78,639 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)****(c) Ageing analysis**

The ageing analysis of the Group's trade receivables at the end of the Relevant Financial Period is as follows:-

| Audited | Gross Amount RM'000 | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Value RM'000 |
|---------------------------|---------------------------|------------------------------------|------------------------------------|-----------------------------|
| FYE 2014 | | | | |
| Not past due | 69,484 | - | (2) | 69,482 |
| Past due: | | | | |
| - less than 1 month | 2,023 | - | (2) | 2,021 |
| - 2 to 3 months | 940 | - | (5) | 935 |
| - over 3 months | 6,517 | - | (536) | 5,981 |
| Non-retention sum portion | 78,964 | - | (545) | 78,419 |
| Retention sum portion | 220 | - | - | 220 |
| | <u>79,184</u> | <u>-</u> | <u>(545)</u> | <u>78,639</u> |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)****(c) Ageing analysis (Cont'd)**

The ageing analysis of the Group's trade receivables at the end of the Relevant Financial Period is as follows:- (Cont'd)

| Audited | Gross Amount RM'000 | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Value RM'000 |
|---------------------------|------------------------|---------------------------------|---------------------------------|--------------------------|
| FYE 2013 | | | | |
| Not past due | 35,843 | - | - | 35,843 |
| Past due: | | | | |
| - less than 1 month | 810 | - | - | 810 |
| - 2 to 3 months | 4,305 | - | - | 4,305 |
| - over 3 months | 5,612 | - | (120) | 5,492 |
| Non-retention sum portion | 46,570 | - | (120) | 46,450 |
| Retention sum portion | 751 | - | - | 751 |
| | <u>47,321</u> | <u>-</u> | <u>(120)</u> | <u>47,201</u> |
| FYE 2012 | | | | |
| Not past due | 65,845 | - | - | 65,845 |
| Past due: | | | | |
| - less than 1 month | 1,728 | - | - | 1,728 |
| - 2 to 3 months | 2,960 | - | - | 2,960 |
| - over 3 months | 9,256 | - | - | 9,256 |
| Non-retention sum portion | 79,789 | - | - | 79,789 |
| Retention sum portion | 1,274 | - | - | 1,274 |
| | <u>81,063</u> | <u>-</u> | <u>-</u> | <u>81,063</u> |

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13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)****(c) Ageing analysis (Cont'd)**

The ageing analysis of the Group's trade receivables at the end of the Relevant Financial Period is as follows:- (Cont'd)

| Audited | Gross Amount RM'000 | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Value RM'000 |
|---------------------------|---------------------------|------------------------------------|------------------------------------|-----------------------------|
| FYE 2011 | | | | |
| Not past due | 29,638 | - | - | 29,638 |
| Past due: | | | | |
| - less than 1 month | 3,866 | - | - | 3,866 |
| - 2 to 3 months | 3,675 | - | - | 3,675 |
| - over 3 months | 4,659 | - | - | 4,659 |
| Non-retention sum portion | 41,838 | - | - | 41,838 |
| Retention sum portion | 775 | - | - | 775 |
| | <u>42,613</u> | <u>-</u> | <u>-</u> | <u>42,613</u> |

The collective impairment allowance is determined based on estimated irrecoverable amounts from service rendered determined by reference to past default experience.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)****(c) Ageing analysis (Cont'd)***Trade receivables that are past due but not impaired*

CSB Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

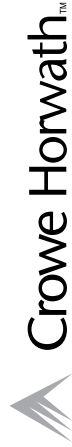
A significant portion of trade receivables, which is accrued billings that are neither past due nor impaired are regular customers that have been transacting with CSB Group. Accrued billings are recognised upon works performed but not yet invoiced.

CSB Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

(iii) Liquidity Risk

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

The following table sets out the maturity profile of the financial liabilities at the end of the Relevant Financial 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 Relevant Financial Period):-

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk (Cont'd)**

| | Audited | Weighted Average Effective 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 |
|-----------------------------|-----------------|---|------------------------------|---|----------------------------|--------------------------|---------------------------|
| | | | | | | | |
| | | | | | | | |
| | FYE 2014 | | | | | | |
| Trade payables | | - | 11,778 | 11,778 | 11,778 | - | - |
| Other payables and accruals | | - | 39,424 | 39,424 | 39,424 | - | - |
| Dividend payable | | - | 210 | 210 | 210 | - | - |
| Invoice financing | | 4.59 | 2,300 | 2,300 | 2,300 | - | - |
| Revolving credits | | 4.59 | 60 | 60 | 60 | - | - |
| Hire purchase payables | | 3.50 | 2,001 | 2,158 | 904 | 1,254 | - |
| Term loans | | 4.77 | 36,346 | 43,345 | 5,946 | 23,627 | 13,772 |
| Bank overdrafts | | 8.10 | 1,192 | 1,192 | 1,192 | - | - |
| | | | 93,311 | 100,467 | 61,814 | 24,881 | 13,772 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk (Cont'd)**

| | Audited | Weighted Average Effective 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 |
|-----------------------------|-----------------|---|------------------------------|---|----------------------------|--------------------------|---------------------------|
| | | | | | | | |
| | | | | | | | |
| | FYE 2013 | | | | | | |
| Trade payables | | - | 20,681 | 20,681 | 20,681 | - | - |
| Other payables and accruals | | - | 31,011 | 31,011 | 31,011 | - | - |
| Invoice financing | | 4.46 | 3,984 | 3,984 | 3,984 | - | - |
| Hire purchase payables | | 3.50 | 2,749 | 3,061 | 904 | 2,157 | - |
| Term loans | | 4.00 | 4,165 | 5,115 | 698 | 3,103 | 1,314 |
| | | | 62,590 | 63,852 | 57,278 | 5,260 | 1,314 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk (Cont'd)**

| Audited | Weighted Average Effective 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 |
|---------------------------------|---|------------------------------|---|----------------------------|--------------------------|---------------------------|
| | | | | | | |
| FYE 2012 | | | | | | |
| Trade payables | - | 18,058 | 18,058 | 18,058 | - | - |
| Other payables and accruals | - | 46,341 | 46,341 | 46,341 | - | - |
| Amount owing to holding company | - | 28 | 28 | 28 | - | - |
| Dividend payable | - | 3,000 | 3,000 | 3,000 | - | - |
| Invoice financing | 4.52 | 2,950 | 2,950 | 2,950 | - | - |
| Revolving credits | 4.90 | 850 | 850 | 850 | - | - |
| Hire purchase payables | 3.50 | 3,356 | 3,860 | 883 | 2,977 | - |
| Term loans | 4.00 | 4,652 | 5,314 | 679 | 3,488 | 1,147 |
| Bank overdrafts | 8.10 | 2,544 | 2,544 | 2,544 | - | - |
| | | 81,779 | 82,945 | 75,333 | 6,465 | 1,147 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk (Cont'd)**

| | Audited | Weighted Average Effective 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 |
|-----------------------------|-----------------|---|------------------------------|---|----------------------------|--------------------------|---------------------------|
| | | | | | | | |
| | FYE 2011 | | | | | | |
| Trade payables | | - | 14,655 | 14,655 | 14,655 | - | - |
| Other payables and accruals | | - | 7,518 | 7,518 | 7,518 | - | - |
| Term loans | | 4.40 | 3,147 | 3,519 | 469 | 2,346 | 704 |
| | | | 25,320 | 25,692 | 22,642 | 2,346 | 704 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(b) Capital Risk Management**

CSB Group manages its capital to ensure that entities within CSB Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, CSB 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.

CSB Group manages its capital based on debt-to-equity ratio. In the current financial year, the net debt components comprise total borrowings from financial institutions less cash and cash equivalents. In previous financial years, the net debt components comprise borrowings plus trade and other payables less cash and cash equivalents.

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

| | Audited | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revolving credits | - | 850 | - | 60 |
| Invoice financing | - | 2,950 | 3,984 | 2,300 |
| Bank overdrafts | - | 2,544 | - | 1,192 |
| Hire purchase payables | - | 3,356 | 2,749 | 2,001 |
| Term loans | 3,147 | 4,652 | 4,165 | 36,346 |
| | <u>3,147</u> | <u>14,352</u> | <u>10,898</u> | <u>41,899</u> |
| Less: | | | | |
| - Fixed deposits with licensed banks | (5,906) | (15,471) | (16,188) | (17,125) |
| - Cash and bank balances | (14,058) | (20,581) | (23,766) | (16,561) |
| Net debt | <u>(16,817)</u> | <u>(21,700)</u> | <u>(29,056)</u> | <u>8,213</u> |
| Total equity | <u>54,919</u> | <u>68,232</u> | <u>86,590</u> | <u>107,465</u> |
| Debt-to-equity ratio | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>0.08</u> |

The debt-to-equity ratio of CSB Group in FYE 2011 to FYE 2013 was not presented as the cash and cash equivalents exceeded the total borrowings from financial institutions.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(c) Classification Of Financial Instruments**

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Financial Assets | | | | |
| <u>Available-for-sale financial assets</u> | | | | |
| Other investments | 50 | 50 | 50 | 50 |
| <u>Loans and receivables financial assets</u> | | | | |
| Amount owing by contract customers | 3,129 | 4,963 | 29,877 | 12,157 |
| Trade receivables | 42,613 | 81,063 | 47,201 | 78,639 |
| Other receivables and deposits | 1,426 | 12,482 | 14,544 | 19,467 |
| Amount owing by joint venture | - | - | 2,130 | 2,130 |
| Amount owing by a related party | - | - | - | 911 |
| Fixed deposits with licensed banks | 5,906 | 15,471 | 16,188 | 17,125 |
| Cash and bank balances | 14,058 | 20,581 | 23,766 | 16,561 |
| | 67,132 | 134,560 | 133,706 | 146,990 |
| Financial Liabilities | | | | |
| <u>Other financial liabilities</u> | | | | |
| Trade payables | 14,655 | 18,058 | 20,681 | 11,778 |
| Other payables and accruals | 7,518 | 46,341 | 31,011 | 39,424 |
| Amount owing to holding company | - | 28 | - | - |
| Dividend payable | - | 3,000 | - | 210 |
| Revolving credits | - | 850 | - | 60 |
| Invoice financing | - | 2,950 | 3,984 | 2,300 |
| Bank overdrafts | - | 2,544 | - | 1,192 |
| Hire purchase payables | - | 3,356 | 2,749 | 2,001 |
| Term loans | 3,147 | 4,652 | 4,165 | 36,346 |
| | 25,320 | 81,779 | 62,590 | 93,311 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair Value Information**

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

| | 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 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| FYE 2014 | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | |
| Other investments | - | - | - | - | - | - | - | 50 |
| - club membership | | | | | | | | |
| <u>Financial Liabilities</u> | | | | | | | | |
| Hire purchase payables | - | - | - | - | 1,199 | - | 1,199 | 1,199 |
| Term loans | - | - | - | - | 32,011 | - | 32,011 | 32,011 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair Value Information (Cont'd)**

| | Fair Value Of Financial Instruments Carried At Fair Value | | | Fair Value Of Financial Instruments Not Carried At Fair Value Level * | Total Fair Value | Carrying Amount |
|------------------------------|---|-------------------|-------------------|---|------------------|-----------------|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | | | |
| FYE 2013 | | | | | | |
| <u>Financial Assets</u> | | | | | | |
| Other investments | - | - | - | # | # | 50 |
| - club membership | | | | | | |
| <u>Financial Liabilities</u> | | | | | | |
| Hire purchase payables | - | - | - | 2,000 | 2,000 | 2,000 |
| Term loans | - | - | - | 3,677 | 3,677 | 3,677 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CSB GROUP (CONT'D)

6.2.37 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Information (Cont'd)

| | Fair Value Of Financial Instruments Carried At Fair Value | | | Fair Value Of Financial Instruments Not Carried At Fair Value Level* | Total Fair Value | Carrying Amount |
|------------------------------|---|-------------------|-------------------|--|------------------|-----------------|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | | | |
| FYE 2012 | | | | | | |
| <u>Financial Assets</u> | | | | | | |
| Other investments | - | - | - | - | - | 50 |
| - club membership | | | | | | |
| <u>Financial Liabilities</u> | | | | | | |
| Hire purchase payables | - | - | - | 2,675 | 2,675 | 2,675 |
| Term loans | - | - | - | 4,126 | 4,126 | 4,126 |

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair Value Information (Cont'd)**

| | Fair Value Of Financial Instruments Carried At Fair Value | | | Fair Value Of Financial Instruments Not Carried At Fair Value | | Total Fair Value RM'000 | Carrying Amount RM'000 |
|------------------------------|---|-------------------|-------------------|---|--------|----------------------------|---------------------------|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Fair Value Level * | RM'000 | | |
| FYE 2011 | | | | | | | |
| <u>Financial Assets</u> | | | | | | | |
| Other investments | - | - | - | - | - | # | 50 |
| - club membership | | | | | | | |
| <u>Financial Liabilities</u> | | | | | | | |
| Term loans | - | - | - | 2,678 | | 2,678 | 2,678 |

The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted share.
* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. AUDITED FINANCIAL STATEMENTS (CONT'D)**6.2 CSB GROUP (CONT'D)****6.2.37 FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair Value Information (Cont'd)**

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

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

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

| | Audited | | | |
|------------------------|---------------------|---------------------|---------------------|---------------------|
| | FYE 2011 | FYE 2012 | FYE 2013 | FYE 2014 |
| | % | % | % | % |
| Hire purchase payables | - | 3.50 | 3.50 | 3.50 |
| Term loans | 4.40 | 4.00 | 4.00 | 4.77 |

(b) In regards to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.38 SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

On 1 July 2014, the shareholders of CSB entered into a Share Sale Agreement ("SSA") to dispose of its entire issued and paid-up capital of 1,000,000 ordinary shares of RM1.00 each to Carimin Petroleum Berhad ("CPB") for a total consideration of RM78,637,361 via the issuance of 157,274,722 ordinary shares of CPB at RM0.50 each.

The disposal was completed on 1 July 2014 and CSB became a wholly-owned subsidiary of CPB.

6.2.39 COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the presentation of the FYE 2011, FYE 2012 and FYE 2013:-

| | As Restated RM'000 | As Previously Reported RM'000 |
|---|-----------------------------------|--|
| FYE 2011 | | |
| Consolidated Statements of Financial Position (Extract):- | | |
| Other receivables, deposits and prepayments | 1,569 | 1,587 |
| Tax recoverable | 18 | - |
| | <hr/> | <hr/> |
| Consolidated Statements of Profit or Loss and Other | | |
| Comprehensive Income (Extract):- | | |
| Cost for sales | (137,168) | (137,323) |
| Other income | 217 | 117 |
| Administrative expenses | (6,995) | (8,619) |
| Other operating expenses | (1,747) | - |
| Finance costs | (90) | 42 |
| | <hr/> | <hr/> |
| Consolidated Statements of Cash Flows (Extract):- | | |
| Net cash from operating activities | 4,525 | 3,618 |
| Net cash for financing activities | (3,629) | (1,224) |
| Cash and cash equivalents at the beginning of the financial year | 18,640 | 23,048 |
| Cash and cash equivalents at the end of the financial year | 14,058 | 19,964 |
| | <hr/> | <hr/> |

13. ACCOUNTANTS' REPORT (Cont'd)**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.2 CSB GROUP (CONT'D)****6.2.39 COMPARATIVE FIGURES (CONT'D)**

The following comparative figures have been reclassified to conform with the presentation of the FYE 2011, FYE 2012 and FYE 2013:- (Cont'd)

| | As Restated RM'000 | As Previously Reported RM'000 |
|--|-----------------------------------|--|
| FYE 2012 | | |
| Consolidated Statements of Cash Flows (Extract):- | | |
| Net cash for financing activities | (6,010) | 3,555 |
| Cash and cash equivalents at the beginning of the financial year | 14,058 | 19,964 |
| Cash and cash equivalents at the end of the financial year | <u>18,037</u> | <u>33,508</u> |
| | As Restated RM'000 | As Previously Reported RM'000 |
| FYE 2013 | | |
| Consolidated Statements of Cash Flows (Extract):- | | |
| Net cash for financing activities | (5,892) | (5,175) |
| Cash and cash equivalents at the beginning of the financial year | 18,037 | 33,058 |
| Cash and cash equivalents at the end of the financial year | <u>23,766</u> | <u>39,954</u> |

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS

As of the date of this report, no audited financial statements have been prepared in respect of any period subsequent to 30 June 2014 for CPB and CSB Group.

Yours faithfully

A handwritten signature in black ink, appearing to read "Crowe Horwath".

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to read "James Chan Kuan Chee".

James Chan Kuan Chee
Approval No : 2271/10/15 (J)
Chartered Accountant

14. DIRECTORS' REPORT



Registered Office:-

Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor

Date : 9 OCT 2014

The Shareholders of Carimin Petroleum Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Carimin Petroleum Berhad ("the Company"), I report after due inquiry that during the period from 30 June 2014 (being the date to which the last audited financial statements of the Company's subsidiary companies have been made up) to the date hereof (being a date not earlier than 14 days before the issue of this Prospectus), that:

- (a) the business of the Company and its subsidiary companies, in the opinion of the Directors, has been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Company and its subsidiary companies which have adversely affected the trading or the value of the assets of the Company or any of its subsidiaries;
- (c) the current assets of the Company and its subsidiary companies that appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 12.9 of the Prospectus, no contingent liabilities have risen by reason of any guarantees or indemnities given by the Company or any of its subsidiaries;
- (e) there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Directors are aware of, since the last audited financial statements of the Company and its subsidiary companies; and
- (f) there have been no material changes in the published reserves or any unusual factors affecting the profits of the Company and its subsidiary companies since the last audited financial statements of the Company subsidiary companies.

Yours faithfully,
For and on behalf of the Board of Directors of
CARIMIN PETROLEUM BERHAD

MOKHTAR BIN HASHIM
Managing Director

www.carimin.com

Main Office :

Unit B-1-6, Megan Avenue 1,
189 Jalan Tun Razak, 50400
Kuala Lumpur.
Tel: +603-2168 7000
Fax: +603-2164 2199 /
+603-2171 1792

Kemaman Office:

K-11270, 2nd Floor,
Taman Chukai Utama,
Phase 3, 24000 Cukai,
Kemaman, Terengganu.
Tel: +609-8599 199/198 /196
Fax: +609-8599 197

Telok Kalong Yard:

Lot 3691, Kawasan Industri
Telok Kalong, Miel, 24007
Telok Kalong, Kemaman,
Terengganu.
Tel: +609-8623 477
+609-8631 067
Tel/Fax: +609-8631 078

Miri Office:

Lot 888, 2nd Floor,
Jalan Permaisuri, Miri
Waterfront, 98000 Miri,
Sarawak.
Tel: +6085-414 311
Fax: +6085-435 322

Labuan Office:

Lot 58, Block H,
Rancha-Rancha Industrial
Warehouse Centre,
Jalan Rancha-Rancha,
87000 W.P.Labuan.
Tel: +6087-410 858
Fax: +6087-410 861



15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

- (a) We will not issue or allot any Shares on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (b) As at the date of this Prospectus, we only have 1 class of shares, namely, ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- (c) Save for 3,000,000 Shares under the Pink Form Allocations as disclosed in Section 3.4 of this Prospectus
 - (i) no Director, employee or business associate of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiary companies.
- (d) Save as disclosed in Sections 5.2, 5.3 and 5.4 of this Prospectus, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (e) Other than our Public Issue as disclosed in Section 5.4 of this Prospectus, there is no intention on the part of our Directors to issue any part of the authorised but unissued share capital of our Company.
- (f) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

15.2 ARTICLES OF ASSOCIATION

The following provisions are extracted from our Company's Articles of Association. Terms defined in our Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

(1) Remuneration of Directors

The provisions in our Articles of Association dealing with remuneration of Directors are as follows:

Article 109(iii)

An alternate Director shall not be entitled to receive remuneration otherwise than out of the remuneration of the Director appointing him.

Article 111

The fees of the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled to rank in such division for a proportion of the fees related to the period during which the Director has held office provided always that:

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (i) fee payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profit or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover.
- (ii) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
- (iii) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Article 112

- (i) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance or their duties as Directors.
- (ii) If by any arrangement with the Directors, any Directors shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special excursions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member or a committee of Directors, the Directors may be paid extra remuneration, in addition to his Director's fees.

Article 141

A managing Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (which shall not include a commission on or percentage of turnover) as the Directors may determine. It may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

(2) Voting and Borrowing Powers of the Directors

The provisions in our Articles of Association dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

Article 115

- (i) The Directors may exercise all the powers of the Company to borrow money or to mortgage or charge its undertaking, property, uncalled capital, or any part thereof, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related third party.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

- (ii) The Directors shall not lend any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (iii) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Article 129

Every Director shall comply with Sections 131, 131A and 135 of the Act. A Director who is in anyway, whether directly or indirectly interested in any contract or arrangement or proposed contract or arrangement with the Company shall declare his interest to the Board as soon as he becomes aware of such contract or arrangement and such Director shall not participate in deliberations concerning such contract or arrangement nor shall he cast his vote in respect of any matter arising therefrom.

Article 130

A Director may vote in respect of:

- (i) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

Article 131

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other Company whereat the terms of such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement which he is in any way interested provided always that he has complied with Section 131, 131A, 135 and all other relevant provisions of the Act and these Articles.

(3) *Changes in Share Capital and Variation of Class Rights*

The provisions in our Articles of Association dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Article 5

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act and these Articles and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors who may allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions, whether in regard to dividend, voting, return of capital, or otherwise and at such times as the Directors may determine subject to an ordinary resolution of the Company PROVIDED ALWAYS THAT:

- (i) the Company shall not issue shares to transfer a controlling interest without the prior approval of the Members in general meeting;
- (ii) every scheme for the issuance of shares or option to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in such issue of shares or options unless the Members in general meeting have approved the specific allotment to be made to such a Director;
- (iii) the rights attaching to shares of a class other than ordinary shares shall be stated at the time of issue;
- (iv) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act; and
- (v) the Company shall have the power to issue preference capital ranking equally with, or in priority to, preference shares already issued.

Article 7

The Company shall have the power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company or to issue preference shares ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner and either at par or at a premium as they may think fit.

Article 14

Subject to the Act, Depositories Act, the Rules and/or the Listing Requirements and notwithstanding the existence of a resolution pursuant to section 132D of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the nominal of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Article 56

The repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference capital concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at a meeting.

Article 57

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 3/4 of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be 2 persons at least holding or representing by proxy 1/3 of the issued shares of the class and that any holder may demand in a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

Article 58

The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Article 59

The Company may from time to time by ordinary resolution increase the share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase shall prescribe.

Article 60

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

Article 61

The Company may by ordinary resolution from time to time:

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (ii) sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provision of the Act, and so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the resulting shares, one or more of such shares may by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; or
- (iii) cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 62

The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act.

(4) Transfer of Shares

The provisions in our Articles of Association in respect of the arrangement for transfer of securities of our Company and restrictions on their free transferability are as follows

Article 31

Subject to the provisions of these Articles, the Act, the Depositories Act and the Rules (with respect to transfer of a deposited security) all transfers of securities shall be in writing in the form prescribed and approved by the Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Exchange, or such relevant authorities of the stock exchanges on which the Company's securities are listed. All transfers of Deposited Securities shall be effected in accordance with the Rules.

Article 32

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Bursa Depository, shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

Article 33

Subject to these Articles, there shall be no restriction on the transfer of fully paid securities except where required by law. However, no shares shall in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In the case of deposited securities, the Bursa Depository may refuse to register any transfer that does not comply with the Depositories Act and the Rules.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Article 36

Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares by registered Members apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee and/or particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

15.3 GENERAL INFORMATION

- (a) Save for the purchase consideration paid to the shareholders of our subsidiaries pursuant to the Acquisitions, Directors' remuneration and dividends paid out to the shareholders of our subsidiaries as disclosed in Sections 5.3, Section 8.2.3 and Section 13 (sub-section 6.2.31) of this Prospectus, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be so paid or given, to any of our Promoter, Director or substantial shareholder.
- (b) Save as disclosed in Section 10.3.3 of this Prospectus, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the procedures for application of our Shares are set out in Section 16 of this Prospectus.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.4 MATERIAL LITIGATION AND CONTINGENT LIABILITY

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and our Directors do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

Save as disclosed in Section 12.9, there is no contingent liability which, upon becoming enforceable, may have material impact on our financial position or business.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**15.5 MATERIAL CONTRACTS**

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiary companies within the past 2 years immediately preceding the date of this Prospectus.

- (a) On 9 December 2013, CPB, Cipta Pantas, Mokhtar Bin Hashim and Shatar Bin Abdul Hamid had entered into a conditional share sale agreement wherein Shatar Bin Abdul Hamid sold and CPB acquired 1,500,000 ordinary shares of RM1.00 each in Carimin Engineering and both Cipta Pantas and Mokhtar Bin Hashim sold and CPB acquired 1,000,000 ordinary shares of RM1.00 each in CSB and for an aggregate consideration of RM86,588,980.00. The consideration will be satisfied by the allotment and issuance of an aggregate of 173,177,960 Shares. This agreement was completed on 1 July 2014.
- (b) On 9 December 2013, CPB and CSB had entered into a conditional share sale agreement wherein CSB sold and CPB acquired all of CSB's shareholdings in Carimin Corporate, Carimin Equipment Management, Carimin Engineering, Carimin Marine and CRSB at a total consideration of RM5,500,020.00. This agreement was completed on 1 July 2014.
- (c) On 19 September 2014, CPB and the Underwriter have entered into an underwriting agreement for the underwriting of up to 14,694,000 IPO Shares which are available for application by the Malaysian Public and eligible Directors and employees of our Group ("Underwritten Shares") at our IPO Price for an underwriting commission calculated at the rate of 2.0% of our IPO Price multiplied by the total number of the Underwritten Shares and based on the terms and conditions therein contained.

15.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to the LPD, there were

- (a) no public take-over offers by third parties in respect of our Shares; and
- (b) no public take-over offers by our Company in respect of other companies' shares.

15.7 CONSENTS

- (a) The written consents of the Adviser, Underwriter, Placement Agent, Principal Bankers, Solicitors, Share Registrar, Company Secretaries and the Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consents of the Auditors (including Messrs Wong Weng Foo & Co., the auditors for our subsidiaries for FYE 2011) and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and letter relating to our Pro forma Consolidated Financial Information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (c) The written consents of the IMR to the inclusion in this Prospectus of its name and the Independent Assessment of the Oil and Gas Supporting Services Industry in

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Malaysia, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently withdrawn.

15.8 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 12 months from the date of this Prospectus:

- (a) Memorandum and Articles of Association of our Company.
- (b) Audited financial statements of our subsidiary companies for the past 4 FYE 2011, FYE 2012, FYE 2013 and FYE 2014.
- (c) The Reporting Accountants' Letters relating to our Pro forma Consolidated Financial Information as set out in Section 11.2 of this Prospectus.
- (d) The Accountants' Report as set out in Section 13 of this Prospectus.
- (e) The Independent Assessment of the Oil and Gas Supporting Services Industry in Malaysia prepared by the IMR as set out in Section 7 of this Prospectus.
- (f) The Directors' Report as set out in Section 14 of this Prospectus.
- (g) Contracts comprising:
 - (i) Material contracts as set out in Section 15.5 of this Prospectus; and
 - (ii) The Peninsular Malaysia HUC Contract dated 13 November 2013. The SC had vide its letter dated 19 June 2014 approved our application seeking relief from disclosing certain salient terms of this contract made available for public inspection.
- (h) The letters of consent as set out in Section 15.7 of this Prospectus.

15.9 RESPONSIBILITY STATEMENTS

Our Directors and Promoters have seen and approved this Prospectus, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities acknowledge that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 OPENING AND CLOSING OF APPLICATION

The application period will open at 10.00 a.m. on 23 October 2014 and will remain open until at 5.00 p.m. on 29 October 2014 or for such further period or periods as our Directors, Promoters, Offerors and the Underwriter may in their absolute discretion may mutually decide. Any changes to the closing date for the Applications will be published in a widely circulated daily Bahasa Malaysia and English newspapers within Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

16.2 METHODS OF APPLICATION

The Applications shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles.

| Types of Application | Application Method |
|---|--|
| Applications for the 3,000,000 Issue Shares made available for application by our eligible Directors and employees. | Pink Application Form only |
| Applications for the 11,694,000 Issue Shares made available for applications by the Malaysian Public: | |
| (i) Malaysian Public – Individuals | White Application Form or Electronic Share Application or Internet Share Application |
| (ii) Malaysian Public – Non-Individuals | White Application Form only |

FULL INSTRUCTIONS FOR THE APPLICATION FOR OUR IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

16.3 APPLICATION USING APPLICATION FORM

16.3.1 Types of Application Forms

The following relevant Application Forms are issued with their notes and instructions enclosed together with this Prospectus:

- (a) **Pink Application Forms** for application by our eligible Directors and employees; and
- (b) **White Application Forms** for application by the Malaysian Public.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

White Application Forms together with copies of this Prospectus may be obtained, from M&A Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and Issuing House.

The submission of an Application Form does not necessarily mean that your application will be successful.

16.3.2 Terms and Conditions for Applications Using Application Forms

Only 1 Application Form from each applicant will be considered and an application must be for 100 ordinary shares of RM0.50 each or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** If you submit multiple applications in your own name or by using the name of others, with or without their consents, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.

Application for our IPO Shares must be made on the respective Application Form provided together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and in this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed thereon shall constitute integral parts of this Prospectus. Applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed thereon or which are illegible may not be accepted.

Each completed Application Form must be accompanied by a remittance in RM for the full amount payable by either:

- (a) BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants); or
- (b) MONEY ORDER OR POSTAL ORDER (for applicants from Sabah and Sarawak only); or
- (c) GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (d) ATM STATEMENTS OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:
 - ALLIANCE BANK MALAYSIA BERHAD;
 - HONG LEONG BANK BERHAD;
 - MALAYAN BANKING BERHAD;
 - RHB BANK BERHAD.

made out in favour of:

"TIH SHARE ISSUE ACCOUNT NO. 656"

and crossed **"A/C Payee Only"** (excluding ATM statements) and endorsed on the reverse side with your name and address.

Applications accompanied by mode of payment other than in the manner stated above or with excess or insufficient remittances or inappropriate Banker's Drafts, Cashier's Orders, Money Orders or Postal Order, ATM Statement or GGO will not be accepted. Details of remittances must be completed in the appropriate boxes provided in the Application Forms.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are an individual and not a member of the Armed Forces/Police, your name and national registration identity card number must be exactly the same as that stated in:

- (i) (a) Your national registration identity card; or
 - (b) Any valid temporary identity document issued by the National Registration Department from time to time; or
 - (c) Your "Resit Pengenalan Sementara ("KPPK 09") issued pursuant to Peraturan 5(5), Peraturan- Peraturan Pendaftaran Negara 1990.
- (ii) The Records of Bursa Depository

If you are a member of the Armed Forces/Police, your name and your Armed Forces or Police personnel number, as the case may be, must be exactly the same as that stated in your authority card and your address must be the address of your respective camp, base or station.

For corporation/institutional applicants, the name and certificate of incorporation number must be exactly the same as that stated in the corporation's or certificate of incorporation and the address must be the registered address.

We, together with Issuing House will not issue any acknowledgement of the receipt of your Application Form or application monies.

Applications accompanied by mode of payment other than those stated above or with excess or insufficient remittance may not be accepted. You must complete details of the remittance in the appropriate boxes provided in the Application Form.

You must state your CDS account number in the space provided on the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to Issuing House and/or our Company. If you do not presently have a CDS account, you may open 1 by contacting any one of the ADAs listed in Section 16.9 of this Prospectus.

You must write your name and address on the reverse side of the Banker's Draft, Cashier's Order, ATM statement, Money Order or GGO from Bank Simpanan Nasional Malaysia Berhad.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by ORDINARY POST in the official envelopes provided to the following address:

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
(formerly known as Equiniti Services Sdn Bhd)

Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at Ground Floor of The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, so as to arrive not later **than 5.00 p.m. on 29 October 2014** or such other date or dates as our Directors and the Underwriter may, in their absolute discretion, mutually decide. **Registered post must not be used.**

No acknowledgement of the receipt of Application Forms or application monies will be made.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Please direct all enquiries in respect of the White Application Form to Issuing House.

16.4 APPLICATION USING ELECTRONIC SHARE APPLICATION

16.4.1 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- AFFIN BANK BERHAD;
- AMBANK (M) BERHAD;
- CIMB BANK BERHAD;
- HSBC BANK MALAYSIA BERHAD;
- MALAYAN BANKING BERHAD;
- PUBLIC BANK BERHAD
- RHB BANK BERHAD; OR
- STANDARD CHARTERED BANK MALAYSIA BERHAD (AT SELECTED BRANCHES ONLY).

The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:

Affin Bank Berhad – No fee will be charged for application by their account holders;
AmBank (M) Berhad – RM1.00;
CIMB Bank Berhad – RM2.50
HSBC Bank Malaysia Berhad – RM2.50;
Malayan Banking Berhad – RM1.00;
Public Bank Berhad – RM2.00;
RHB Bank Berhad – RM2.50; or
Standard Chartered Bank Malaysia Berhad (as selected branches only) – RM2.50

16.4.2 Terms and Conditions for Electronic Share Application

The procedures for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions. For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in Section 16.4.3 of this Prospectus. The steps set out the actions that you must take at the ATM to complete an Electronic Share Application. Please read and understand carefully the terms of this Prospectus, the steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

In the case of Electronic Share Application, only an applicant who is an individual with a CDS account is eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, 1 of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Upon the closing of offer for the application for our IPO Shares on 29 October 2014 at 5.00 p.m., the Participating Financial Institutions shall submit the magnetic tapes containing their respective customers' applications for our IPO Shares to Issuing House as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for our IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institutions with which you have an account and its branches, subject to you making only 1 Application. You can apply for our IPO Shares via an ATM card of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only 1 Application.

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you have a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your own name. Your application will be rejected if you fail to comply with the foregoing conditions.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of our Company.
- (b) You are required to confirm the following statements (by depressing predesignated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:
 - (i) You have attained 18 years of age as at the Closing Date of the application for our IPO Shares;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - (iv) This is the only application that you are submitting; and
 - (v) You thereby give consent to the participating financial institution and Bursa Depository to disclose information pertaining to yourself and your account with the participating financial institution and Bursa Depository to Issuing House and other relevant authorities.
- (c) Your Application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 133 of Financial Services Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to Issuing House or any other relevant regulatory bodies.
- (d) You confirm that you are not applying for our IPO Shares as nominee of any other person and that any Electronic Share Application that you make is made by yourself as the beneficial owner. You shall only make 1 Electronic Share Application and shall

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

not make any other application for our IPO Shares, whether at the ATMs of any Participating Financial Institution or on the prescribed Application Forms or via Internet share application.

- (e) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (f) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles.
- (g) Issuing House, acting under the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (h) You request and authorise us:
 - (i) to credit our IPO Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (i) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Issuing House, the Participating Financial Institution or Bursa Depository, and irrevocably agree that if:
 - (i) our Company or Issuing House do/does not receive your Electronic Share Application; or
 - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to our Company or Issuing House,

you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against the Company, Issuing House, the Participating Financial Institutions of Bursa Depository for our IPO Shares applied for or for any compensation, loss or damage.

- (j) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

correct and our Company, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.

- (k) You shall ensure that your particulars as recorded by both Bursa Depository and the relevant participating financial institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment or allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, you agree that:
 - (i) in consideration of our Company agreeing to allow and accept the making of any application for our IPO Shares via the Electronic Share Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) our Company, the Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/their control;
 - (iii) notwithstanding the receipt of any payment by our Company or on behalf of our Company, the acceptance of your offer to subscribe for and purchase of our IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said IPO Shares;
 - (iv) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and
 - (v) our Company agrees that in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the electronic share scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (m) Issuing House, acting under the authority of our Board, reserves the right to reject applications which do not conform to these instructions.

16.4.3 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) You must have a CDS account; and
- (c) You have to choose the Electronic Share Application option at the ATM of the Participating Financial Institution. Mandatory statements required in the Application

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

are set out on Section 16.4.2 of this Prospectus relating to the terms and conditions for Electronic Share Application. You have to enter at least the following information through the ATM where the instructions on the ATM screen require you to do so:

- Personal Identification Number ("PIN Number");
- **TIIH Share Issue Account Number No. 656;**
- CDS account number;
- Number of IPO Shares applied for and/or the Ringgit Malaysia amount to be debited from the account; and
- Confirmation of several mandatory statements.

16.5 APPLICATION USING INTERNET SHARE APPLICATION

16.5.1 Steps for Internet Share Application through an Internet Participating Financial Institution's website

The exact steps for Internet Share Application in respect of the Shares are as set out on the Internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, the steps for an application for our IPO Shares via Internet Application may be as set out below. The steps set out the actions that you must take at the Internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

YOU MUST HAVE A CDS ACCOUNT BEFORE YOU CAN MAKE ANY APPLICATION FOR THE SHARES. PLEASE TAKE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (b) Login to the Internet financial services facility by entering your user identification and PIN Number/password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of our IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the Shares counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

By confirming such information, you also undertake that the following information given is true and correct:

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) You have attained 18 years of age as at the Closing Date of the application for our IPO Shares;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have read and understood;
 - (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for our IPO Shares;
 - (v) The Internet Share Application is the only application that you are submitting for our IPO Shares;
 - (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of Financial Services Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution, to Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - (viii) You are not applying for our IPO Shares as a nominee of any other person and the application is made in your own name, as the beneficial owner and subject to the risks referred to in this Prospectus; and
 - (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO Shares. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of your information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Applications services;
- (h) Upon submission of your online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application money for our IPO.
- (i) As soon as your transaction is completed, a message from the Authorised Financial Institution pertaining to your payment status will appear on the screen of the website through which the online payment of your application money is being made.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (j) Subsequent to the above, the Internet Participating Financial Institution shall confirm that your Internet Share Application has been completed, via the Confirmation Screen on its website.
- (k) You are advised to print out the Confirmation Screen for reference and retention.

16.5.2 Terms and Conditions for Internet Share Application

Applications for our IPO Shares may be made through the Internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Institution

Internet Share Applications may be made through the Internet financial services website of the following Internet Participating Financial Institutions:

- CIMB Investment Bank Berhad at www.eipocimb.com; or
- CIMB Bank Berhad at www.cimbclicks.com.my; or
- Malayan Banking Berhad at www.maybank2u.com.my; or
- Affin Bank Berhad at www.affinOnline.com, or
- Public Bank Berhad at www.pbebank.com; or
- RHB Bank Berhad at www.rhbbank.com.my; or
- Affin Hwang Investment Bank Berhad (*formerly known as Affin Investment Bank Berhad*) at www.trade.affinhwang.com

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND THE SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF OUR IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out herein:

- (a) You can make an Internet Share Application if you fulfill all of the following:
 - (i) You are an individual with a CDS Account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;
 - (ii) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

ready your user identification ("User ID") and Personal Identification Numbers ("PIN")/password for the relevant Internet financial services facilities; and

- (iii) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

- (b) An Internet Share Application shall be made on and shall be subject to the terms of this prospectus and our Company's Memorandum and Articles.

- (c) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given is true and correct:

- (i) You have attained 18 years of age as at the Closing Date of the application for our IPO Shares;

- (ii) You are a Malaysian citizen residing in Malaysia;

- (iii) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;

- (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in the Prospectus before making your Internet Share Application for our IPO;

- (v) Your Internet Share Application is the only application that you are submitting for our IPO Shares;

- (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;

- (vii) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of Financial Services Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution, to Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;

- (viii) You are not applying for our IPO Shares as a nominee of any other person and your application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and

- (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of your information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.

- (d) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 16.5.2 (c) of this Prospectus.

- (e) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.
- (f) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted to you in respect of the Internet Share Application. If our Company decides to allot or allocate any lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision of our Company as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

- (i) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
- (ii) Your agreement to be bound by the Memorandum and Articles of our Company.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (g) You are fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares of our Company will be rejected. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefore. We will give due consideration to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (h) If your Internet Share Application is unsuccessful or successful in part only, the Internet Participating Financial Institution will be informed of the unsuccessful or partially successful Internet Share Application. If your Internet Share Application is unsuccessful, the Internet Participating Financing Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of your application money in Ringgit Malaysia (without interest or any Shares of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within 2 Market days after receipt of written confirmation from Issuing House.

Issuing House shall inform the Internet Participating Financial Institution of unsuccessful or partially successful applications within 2 Market Days from the balloting date.

If your Internet Share Application is accepted in part only, the relevant Internet Participating Financial Institution will credit the balance of your application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution within 2 Market Days after receipt of written confirmation from Issuing House. However, a number of applications will be held in reserve to replace any successfully balloted applications that are subsequently rejected. If your application is held in reserve, and subsequently rejected, your application monies (without interest or any share of revenue or other benefit arising therefrom) will be refunded to you by the Internet Participating Financial Institution by crediting into the applicant's account with the Internet Participating Financial Institution within 10 Market Days from the day of the final ballot of the applications list.

If your application is held in reserve and which are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will arrange for a refund of the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within 10 Market Days from the day of the final ballot of the applications list.

Except where Issuing House is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which your application was made in respect of the mode or procedure of enquiring on the status of your Internet Share Application in order to determine the status or exact number of IPO Shares allotted, if any, before trading of our IPO Shares on Bursa Securities.

- (i) Internet Share Applications will be closed at 5.00 p.m. on 29 October 2014 or such other date(s) as our Directors, Promoters, and Vendor's together with the Underwriter may decide in their absolute discretion. An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(j) You irrevocably agree and acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, Issuing House and our Company. If, in any such event, we, Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefore, or in the event that any data relating to your Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an Internet Share Application and you shall have made no claim whatsoever against us, Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

(k) All of your particulars in the records of the relevant Internet Participating Financial Institution at the time of your Internet Share Application shall be deemed to be true and correct, and we, Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You shall ensure that your personal particular as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allocation or allotment will be sent to your address last registered with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

(l) By making and completing an Internet Share Application, you are deemed to have agreed that:

(i) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institution acting as our agents, the Internet Share Application is irrevocable;

(ii) you have irrevocably requested and authorised us to register our IPO Shares allotted or allocated to you for deposit into your CDS Account;

(iii) neither we nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to your Internet Share Application to Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 16.5.2(j) of this Prospectus or to any cause beyond their control;

(iv) you shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by Issuing House, us and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;
- (v) the acceptance of the offer made by you to subscribe for our IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
 - (vi) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your Internet Application by us;
 - (vii) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, M&A Securities and any other person involved in our IPO shall not be liable for any information not contained in this Prospectus which may have been relied on by you in making the Internet Share Application; and
 - (viii) the acceptance of your Internet Share Application by us and the contract resulting therefrom under our IPO shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the courts of Malaysia.
- (m) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
- CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank or via Malayan Banking Berhad;
 - CIMB Bank (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - RHB Bank Berhad (www.rhbbank.com.my) – RM2.50;
 - Public Bank Berhad (www.pbebank.com.my) – RM2.00;
 - Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for applications by their account holders; and
 - Affin Hwang Investment Bank Berhad (*formerly known as Affin Investment Bank Berhad*) (www.trade.affinhwang.com) - No fee will be charged for applications by their account holders

16.6 APPLICATION AND ACCEPTANCE

You can only apply for our IPO Shares if:

- (i) You have attained 18 years of age as at the Closing Date of our IPO Shares application;
- (ii) You are a Malaysian citizen residing in Malaysia;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) You are a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of Directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens;
- (iv) You are a superannuation, provident or pension fund established or operating in Malaysia;
- (v) You have a CDS account;
- (vi) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
- (vii) You are not a Director or employee of Issuing House or their immediate family members;
- (viii) This is the only application that you are submitting; and
- (ix) You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining yourself and your account with the Participating Financial Institution and Bursa Depository to us, Issuing House and other relevant authorities.

The amount payable in full on application is RM1.10 per IPO Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications or by way of Internet Share Application and vice versa. A corporation or institution cannot submit an Application by way of Electronic Share Application or Internet Share Application.

Issuing House, acting under the authority of our Board reserves the right not to accept any Application or accept any Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our IPO Shares.

Issuing House, acting under the authority of our Board reserves the right not to accept any application which does not strictly comply with the instructions or to accept any Application in part only without assigning any reason therefore.

The submission of your Application Form or the completion of your Electronic Share Application or Internet Share Application does not necessarily mean that your Application will be successful.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner as approved by our Directors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner, and in our best interest. Due consideration will be given to the desirability of distributing our IPO Shares to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the trading of our Shares.

The final allocation of our IPO Shares to any single applicant will be made to ensure that our Company complies with the public shareholding spread requirement under the Listing Requirements, which is at least 25% of our total enlarged issued and paid-up share capital of our Shares for which listing is sought must be in the hands of public shareholders, with a minimum of 1,000 public shareholders holding not less than 100 Shares each upon admission to the Official List of the Main Market of Bursa Securities. In the event that the above requirement is not met pursuant to the Listing, we may not be allowed to proceed with our

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Listing. In the event thereof, your monies paid in respect of your Applications will be returned without interest if the said permission for listing and quotation is not granted. Applicants will be selected in a manner determined by our Directors.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OF RM0.50 EACH OR MULTIPLES THEREOF.

In the event of an under-subscription of IPO Shares by the Malaysian Public, such number of IPO Shares not applied for will be reallocated in the manner as specified in Section 3.4.2 of this Prospectus.

If you are unsuccessful/partially successful in your Application, the full amount or the balance of the Application monies, as the case may be, will be refunded without interest in the following manner:

- (a) For an Application by way of Application Form, the full amount or the balance of the Application monies, as the case may be, shall be despatched by ordinary post or registered post respectively, to you within 10 Market Days from the date of the final ballot of the application at your address last maintained with Bursa Depository.

If your application is rejected because you did not provide a CDS account, the full amount of your application monies will be sent to you to the address as per the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time, or authority card in the case of armed forces/police personnel, at your own risk.

Issuing House reserves the rights to bank in all Application monies from unsuccessful Bumiputera applicants and partially successful applicants, which would subsequently be refunded in full without interest by registered post to your address last maintained with Bursa Depository.

- (b) For an Application by way of Electronic Share Application, where an Electronic Share Application is not successful or successful in part only, the relevant participating financial institution will be informed of the non-successful or partially successful applications. If the Electronic Share Application is not successful, the relevant Participating Financial Institutions will credit the full amount of your Application monies into your account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from Issuing House. Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful Applications within 2 Market Days after the balloting date. You may check your account on the 5th Market Day from the balloting date.

Where your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of your Application monies without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from Issuing House. A number of Applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such Applications, which are subsequently rejected, the Application monies without interest will be refunded to you by the Participating Financial Institution by crediting into the applicant's account with the Participating Financial Institution not later than 10 Market Days from the day of the final ballot of the application list.

- (c) For an Application by way of Internet Share Application, please refer to Section 16.5.2 (h).

If you encounter any problems in your Application, you may refer to the Participating Financial Institutions.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are successful in your Application, our Directors reserve the rights to require you to appear in person at the registered office of Issuing House within 14 days of the date of the notice issued to you to ascertain the regularity or propriety of the Application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any of your expenses incurred or to be incurred for the purpose of complying with this provision.

Your remittance having been presented for payment shall not signify that your Application has been accepted.

16.7 CDS ACCOUNT

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the Issues Shares as Prescribed Securities. In consequence thereof, the share issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depository) Act, 1991 and Rules of Bursa Depository.

Following the above, in accordance to Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, all dealings in our IPO Shares of our Company including our IPO Shares will be by book entries through CDS accounts. No share certificates will be issued to you.

You must have a CDS account when applying for our IPO Shares. If you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares.

In the case of an Application by way of Application Form, you should state your CDS account number in the space provided on the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to Issuing House or our Company and any relevant regulatory bodies, as the case may be.

In the case of an Application by way of Electronic Share Application, you shall furnish your CDS account number to the Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen require you to do so.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS Account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, the applicant's CDS account number would automatically appear in the e-IPO online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from use of invalid, third party or nominee accounts, may result in the Application being rejected. If a successful applicant fails to state his/her CDS account number, Issuing House, on our authority, will reject the Application. Issuing House, acting under the authority of our Board also reserves the right to reject any incomplete and inaccurate Application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.8 NOTICES OF ALLOTMENT

Our IPO Shares allocated to you will be credited into your CDS account if you are successful or partially successful in your application. A notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your application.

You shall ensure that your personal particulars as recorded by both Bursa Depository and relevant participating financial institutions are correct and identical. You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulations of Bursa Depository, failing which the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by calling your respective ADAs as stated in Section 16.9 or at the telephone numbers of Issuing House stated below (during office hours only) or by checking at Issuing House's website stated below after the date of allotment of the Shares:

Telephone number: 03-2264 3883

Website: www.tiih.com.my

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.9 LIST OF ADA'S**

The list of ADAs and their respective addresses, telephone numbers and Broker Codes are as follows:

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|--|-----------------|
| KUALA LUMPUR | | | |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as Affin Investment Bank Berhad) Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668 | 068-018 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as Affin Investment Bank Berhad) No. 38A & 40A Jalan Midah 1 Taman Midah, Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803 | 068-021 |
| ALLIANCE INVESTMENT BANK BERHAD 17 th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 6333 | 076-001 | AMINVESTMENT BANK BERHAD 8-9, 11-18, 21-25 Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2036 2633 | 086-001 |
| BIMB SECURITIES SDN BHD 32 nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887 | 024-001 | CIMB INVESTMENT BANK BERHAD 10 th Floor, Banguan CIMB Principal Office MENARA CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No.: 03-2261 8888 | 065-001 |
| CITIGROUP GLOBAL MARKETS MALAYSIA SDN BHD Level 43, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2383 3890 | 038-001 | CLSA SECURITIES SDN BHD Suite 20-01, Aras 20 Menara Dion2 27 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888 | 033-001 |
| CREDIT SUISSE SECURITIES (MALAYSIA) SDN BHD Suite 7.6, Level 7 Menara IMC8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 2723 2020 | 036-001 | FA SECURITIES SDN BHD A-10-1 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676 | 021-002 |
| HONG LEONG INVESTMENT BANK BERHAD Level 6-8, 13, 22 & 23 Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur | 066-001 | HONG LEONG INVESTMENT BANK BERHAD 18 th & 21 st Floor Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur | 066-006 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|--|-----------------|
| Tel No.: 03-2168 1168 | | Tel No.: 03-2691 0200 | |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688 | 068-009 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) 7 th , 22 nd and 23 rd Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2711 6888 | 068-014 |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No.: 03-2287 2273 | 068-017 | INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888 | 054-001 |
| INTER-PACIFIC SECURITIES SDN BHD Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796 | 054-003 | JPMORGAN SECURITIES (MALAYSIA) SDN BHD Level 18, Integra Tower The Intermark 348 Jalan Tun Razak 50400, Kuala Lumpur Tel No.: 03-2270470 | 035-001 |
| JUPITER SECURITIES SDN BHD Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888 | 055-001 | KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th - 14 th Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800 | 053-001 |
| KENANGA INVESTMENT BANK BERHAD 4-10, 15-16, 18 & 20 Floor Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080 | 073-001 | KENANGA INVESTMENT BANK BERHAD M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806 | 073-020 |
| KENANGA INVESTMENT BANK BERHAD Ground Mezzanine, 1 st & 2 nd Floor (West & Center Wing) & 1 st Floor East Wing Bangunan ECM Libra 8, Jalan Damansara Endah | 073-021 | KENANGA INVESTMENT BANK BERHAD 1 st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133 | 073-029 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|---|-----------------|
| Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888 | | | |
| M & A SECURITIES SDN BHD Level 1-2, No. 45 & 47 and No. 43-6 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820 | 057-002 | M & A SECURITIES SDN BHD 22A & 22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-2282 1820 | 057-004 |
| MACQUARIE CAPITAL SECURITIES(MALAYSIA) SDN BHD Level 10, Menara Dion 27 Jalan Sultan Ismail 50250, Kuala Lumpur Tel. No.: 03-2059 8833 | 032-001 | MAYBANK INVESTMENT BANK BERHAD 5-13 Floor, Mayban Life Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888 | 098-001 |
| MERCURY SECURITIES SDN BHD L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227 | 093-002 | MIDF AMANAH INVESTMENT BANK BERHAD 8 th , 9 th , 10 th , 11 th & 12 th Floor Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888 | 026-001 |
| NOMURA SECURITIES MALAYSIA SDN BHD Suite 16.5, Level 16 Menara IMC, Letter Box 47 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 2027 6811 | 037-001 | PM SECURITIES SDN BHD Ground Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000 | 064-001 |
| PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011 | 051-001 | RHB INVESTMENT BANK BERHAD Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888 | 087-001 |
| RHB INVESTMENT BANK BERHAD 12 th , 15 th , 20 th & 21 st Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333 | 087-018 | RHB INVESTMENT BANK BERHAD No. 62, 62-1, 64 & 64-1 Vista Magna Jalan Prima, Metro Prima Kepong 52100 Kuala Lumpur Tel No.: 03-6257 5869 | 087-028 |
| RHB INVESTMENT BANK BERHAD No. 5 & 7 | 087-054 | RHB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor | 087-058 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|---|-----------------|
| Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798 | | No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222 | |
| TA SECURITIES HOLDINGS BERHAD Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277 | 058-003 | UBS SECURITIES MALAYSIA SDN BHD Level 7 Wisma Hong Leong 18, Jalan Perak 50450, Kuala Lumpur Tel No.: 03-2781 1100 | 031-001 |
| UOB KAY HIAN SECURITIES (M) SDN BHD N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6201 1155 | 078-004 | UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888 | 078-010 |
| SELANGOR DARUL EHSAN | | | |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) 2 nd , 3 rd & 4 th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999 | 028-002 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Lot 229, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016 | 028-003 |
| AMINVESTMENT BANK BERHAD 4 th Floor, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613 | 086-003 | CIMB INVESTMENT BANK BERHAD Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388 | 065-009 |
| HONG LEONG INVESTMENT BANK BERHAD Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888 | 066-002 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) 16 th , 18 th -20 th Floor Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288 | 068-002 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|---|-----------------|
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688 | 068-010 | INTER-PACIFIC SECURITIES SDN BHD No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Tel No.: 03-6137 1888 | 054-006 |
| JF APEX SECURITIES BERHAD 3 rd , 5 th , 6 th and 10 th Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118 | 079-001 | JF APEX SECURITIES BERHAD 16 th Floor, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118 | 079-002 |
| JUPITER SECURITIES SDN BHD No. 42 – 46, 3 rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5632 4838 | 055-004 | KENANGA INVESTMENT BANK BERHAD Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200 | 073-005 |
| KENANGA INVESTMENT BANK BERHAD 55C (2 nd Floor) Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No : 03-8024 1682 | 073-006 | KENANGA INVESTMENT BANK BERHAD Lot 240, 2nd Floor The Curve No.6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7725 9095 | 073-016 |
| KENANGA INVESTMENT BANK BERHAD Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118 | 073-030 | KENANGA INVESTMENT BANK BERHAD No. 35, Ground, 1 st 2 nd Floor Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080 | 073-035 |
| MALACCA SECURITIES SDN BHD Subang Jaya Branch No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533 | 012-002 | MALACCA SECURITIES SDN BHD SS2 Petaling Jaya Branch No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan | 012-003 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|--|-----------------|
| | | Tel No.: 03-7876 1533 | |
| MAYBANK INVESTMENT BANK BERHAD Level 8 68 Jalan Batai Laut 4 Taman Bukit Camerlang 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888 | 098-003 | MAYBANK INVESTMENT BANK BERHAD Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888 | 098-004 |
| PM SECURITIES SDN BHD No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773 | 064-003 | PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300 | 064-007 |
| RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30, 30M & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366 | 087-011 | RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378 | 087-045 |
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916 | 087-047 | RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180 | 087-048 |
| RHB INVESTMENT BANK BERHAD Ground Floor and First Floor No. 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 6899 | 087-049 | RHB INVESTMENT BANK BERHAD 11-1 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-6148 3361 | 087-051 |
| RHB INVESTMENT BANK BERHAD Unit 1B & 2B, USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8023 6518 | 087-059 | SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202 | 096-001 |
| SJ SECURITIES SDN BHD 101B, Jalan SS 15/5 ^a | 096-002 | SJ SECURITIES SDN BHD No.74-2, Jalan Batu Nilam 5 | 096-004 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|----------|---|----------|
| 47500, Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7888 | | Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3122 1915 | |
| TA SECURITIES HOLDINGS BERHAD No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880 | 058-005 | TA SECURITIES HOLDINGS BERHAD Damansara Utama Branch 2 nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713 | 058-007 |
| PERAK DARUL RIDZUAN | | | |
| CIMB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd and 3 rd Floor No.8, 8A-C, Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688 | 065-010 | HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888 | 066-003 |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Ground, Level 1, 2 & 3 21, Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688 | 068-003 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Ground, 1 st Floor & 2 nd Floor No.22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988 | 068-015 |
| KENANGA INVESTMENT BANK BERHAD No. 63, Ground, 1 st , 2 nd & 4 th Floor Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828 | 073-022 | KENANGA INVESTMENT BANK BERHAD No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6222 828 | 073-026 |
| KENANGA INVESTMENT BANK BERHAD Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828 | 073-031 | M & A SECURITIES SDN BHD 5 th , 6 th , & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800 | 057-001 |
| MAYBANK INVESTMENT BANK BERHAD | 098-002 | RHB INVESTMENT BANK BERHAD Ground & 1st Floor | 087-014 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|--|-----------------|
| B-G-04 (Ground Floor), Level 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400 | | No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498 | |
| RHB INVESTMENT BANK BERHAD Ground, 1 st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228 | 087-016 | RHB INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100 | 087-023 |
| RHB INVESTMENT BANK BERHAD Ground Floor, No.40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229 | 087-034 | RHB INVESTMENT BANK BERHAD 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261 | 087-044 |
| RHB INVESTMENT BANK BERHAD No.1 & 3, 1 st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888 | 087-052 | TA SECURITIES HOLDINGS BERHAD Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313 | 058-001 |
| UOB KAY HIAN SECURITIES (M) SDN BHD 29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6216 010 | 078-009 | | |
| PULAU PINANG | | | |
| ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Bangunan Berkath 21 Beach Street 10300, Georgetown Tel No : 04-2611 688 | 076-015 | AMINVESTMENT BANK BERHAD Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261 818 | 086-004 |
| AMINVESTMENT BANK BERHAD Level 3 No. 15, Lebuhr Pantai 10300 Pulau Pinang Tel No : 04-2618 688 | 086-007 | CIMB INVESTMENT BANK BERHAD Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2385 900 | 065-003 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|--|-----------------|
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-2636 996 | 068-001 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5372 882 | 068-006 |
| INTER-PACIFIC SECURITIES SDN BHD Ground Floor, Mezzanine & 8th Floor Sentral Tower No. 3, Penang Street 10200 Pulau Pinang Tel No.: 04-2690 888 | 054-002 | JUPITER SECURITIES SDN BHD 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-641 2881 | 055-003 |
| KENANGA INVESTMENT BANK BERHAD 7 th , 8 th & 16 th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2283 355 | 073-023 | M & A SECURITIES SDN BHD 332H-1 & 332G-2, Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No.: 04-2817 611 | 057-005 |
| M & A SECURITIES SDN BHD 216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Pulau Pinang Tel No.: 04-2617 611 | 057-008 | MALACCA SECURITIES SDN BHD Prima Tanjung Suite 98-3-13A Jalan Fettes 11200 Tanjung Tokong Pulau Pinang Tel No.: 04-8981 525 | 012-004 |
| MERCURY SECURITIES SDN BHD Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Pulau Pinang Tel No.: 04-3322 123 | 093-001 | MERCURY SECURITIES SDN BHD 2 nd Floor Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Pulau Pinang Tel No.: 04-2639 118 | 093-004 |
| MERCURY SECURITIES SDN BHD 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822 | 093-006 | PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2273 000 | 064-004 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|----------|--|----------|
| RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No.: 04-3900 022 | 087-005 | RHB INVESTMENT BANK BERHAD Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5402 888 | 087-015 |
| RHB INVESTMENT BANK BERHAD 834, Ground Floor & First Floor 835, First Floor Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-5831 888 | 087-032 | RHB INVESTMENT BANK BERHAD 64 & 64-D Tingkat Bawah-Tingkat 3 & Tingkat 5-Tingkat 8 Lebuh Bishop 10200 Pulau Pinang Tel No.: 04-2634 222 | 087-033 |
| RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No.: 04-6404 888 | 087-042 | RHB INVESTMENT BANK BERHAD 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No.: 04-8352 988 | 087-056 |
| SJ SECURITIES SDN BHD 12 th Floor, Office Tower Hotel Royal Penang No.3 Jalan Larut 10050 Georgetown Penang Tel No.: 04-2289 836 | 096-003 | UOB KAY HIAN SECURITIES (M) SDN BHD 1 st , 2 nd & 3 rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-2299 318 | 078-002 |
| UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5541 388 | 078-003 | MAYBANK INVESTMENT BANK BERHAD Lot 1.02, Tingkat 1 Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel No.: 04-2196 888 | 098-006 |

PERLIS INDRA KAYANGAN

| | |
|--|---------|
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793 888 | 087-060 |
|--|---------|

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|---|-----------------|
| KEDAH DARUL AMAN | | | |
| ALLIANCE INVESTMENT BANK BERHAD 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088 | 076-004 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666 | 068-011 |
| RHB INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204 888 | 087-017 | RHB INVESTMENT BANK BERHAD 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-4964 888 | 087-019 |
| RHB INVESTMENT BANK BERHAD 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888 | 087-021 | UOB KAY HIAN SECURITIES (M) SDN BHD Lot 4, 5 & 5A, 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111 | 078-007 |
| NEGERI SEMBILAN DARUL KHUSUS | | | |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) 1 st Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288 | 068-007 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188 | 068-013 |
| KENANGA INVESTMENT BANK BERHAD 1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998 | 073-033 | MAYBANK INVESTMENT BANK BERHAD Wisam HM Ground Floor No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555 | 098-005 |
| PM SECURITIES SDN BHD 1 st , 2 nd & 3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus | 064-002 | RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor, No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus | 087-024 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|---|-----------------|
| Tel No.: 06-7623 131 | | Tel No : 06-7641 641 | |
| RHB INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421 000 | 087-037 | RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6461 234 | 087-046 |
| MELAKA | | | |
| CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No :06-2898 800 | 065-006 | KENANGA INVESTMENT BANK BERHAD 71 (Ground, A&B) & 73(Ground, A&B), Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720 | 073-028 |
| KENANGA INVESTMENT BANK BERHAD 22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550 | 073-034 | MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No.: 06-3371 533 | 012-001 |
| MERCURY SECURITIES SDN BHD No. 81-B & 83-B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898 | 093-003 | PM SECURITIES SDN BHD No. 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No.: 06-2866 008 | 064-006 |
| RHB INVESTMENT BANK BERHAD No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2833 622 | 087-002 | RHB INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211 | 087-026 |
| TA SECURITIES HOLDINGS BERHAD No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618 | 058-008 | | |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|--|-----------------|
| JOHOR DARUL TAKZIM | | | |
| ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922 | 076-006 | AMINVESTMENT BANK BERHAD 2 nd , 3 rd , 4 th Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282 | 086-002 |
| AMINVESTMENT BANK BERHAD 18 th & 31 st Floor Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 855 | 086-006 | CIMB INVESTMENT BANK BERHAD No. 73 Ground Floor, No. 73A First Floor & No.79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888 | 065-011 |
| HONG LEONG INVESTMENT BANK BERHAD 1st Floor, No. 9, Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4313 688 | 066-004 | JUPITER SECURITIES SDN BHD 3.01 Jalan Molek 1/8 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3538 878 | 055-002 |
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692 | 068-004 | INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211 | 054-004 |
| KENANGA INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 515 | 073-009 | KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600 | 073-004 |
| KENANGA INVESTMENT BANK BERHAD No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161 | 073-010 | KENANGA INVESTMENT BANK BERHAD Ground Floor No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292 | 073-011 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|--|-----------------|
| KENANGA INVESTMENT BANK BERHAD No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963 | 073-017 | KENANGA INVESTMENT BANK BERHAD Suite 16-02, 16-03 & 16-03A Level 16, Manara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2237 423 | 073-019 |
| KENANGA INVESTMENT BANK BERHAD No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9532 222 | 073-024 | KENANGA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4678 885 | 073-025 |
| M & A SECURITIES SDN BHD Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233 | 057-003 | M & A SECURITIES SDN BHD 26 Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2366 288 | 057-006 |
| M & A SECURITIES SDN BHD No. 27, 27A & 27 B Jalan Molek 3/10, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3551 988 | 057-007 | MALACCA SECURITIES SDN BHD 74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3351 533 | 012-005 |
| MERCURY SECURITIES SDN BHD Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992 | 093-005 | PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333608 | 064-008 |
| TA SECURITIES HOLDINGS BERHAD 7A Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278 | 058-009 | RHB INVESTMENT BANK BERHAD 6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821 | 087-006 |
| RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288 | 087-009 | RHB INVESTMENT BANK BERHAD No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262 | 087-025 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|---|-----------------|
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628 | 087-029 | RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543 | 087-030 |
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 40 Jalan Haji Mana 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655 | 087-031 | RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288 | 087-035 |
| RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-9787 180 | 087-038 | RHB INVESTMENT BANK BERHAD 1 st Floor, No. 2 & 4 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881 | 087-039 |
| RHB INVESTMENT BANK BERHAD 2 nd Floor, No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293 | 087-043 | UOB KAY HIAN SECURITIES (M) SDN BHD No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121 633 | 078-008 |
| UOB KAY HIAN SECURITIES (M) SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398 | 078-005 | UOB KAY HIAN SECURITIES (M) SDN BHD No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218 | 078-006 |
| KELANTAN DARUL NAIM | | | |
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H PT225, 1 st Floor, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077 | 087-020 | TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7432 288 | 058-004 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|---|-----------------|---|-----------------|
| PAHANG DARUL MAKMUR | | | |
| ALLIANCE INVESTMENT BANK BERHAD Ground, Mezzanine & 1st Floor B-400, Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800 | 076-002 | CIMB INVESTMENT BANK BERHAD Ground 1 st & 2 nd Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-5057 800 | 065-007 |
| JUPITER SECURITIES SDN BHD 2 nd Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136 | 055-005 | KENANGA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698 | 073-027 |
| RHB INVESTMENT BANK BERHAD B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811 | 087-007 | RHB INVESTMENT BANK BERHAD Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 943 | 087-022 |
| RHB INVESTMENT BANK BERHAD Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913 | 087-041 | | |
| TERENGGANU DARUL IMAN | | | |
| ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922 | 076-009 | FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6238 128 | 021-001 |
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109 | 087-027 | RHB INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816 | 087-055 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
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| SABAH | | | |
| CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328 878 | 065- 005 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688 | 068- 008 |
| KENANGA INVESTMENT BANK BERHAD Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188 | 073- 032 | RHB INVESTMENT BANK BERHAD 2 nd Floor, 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788 | 087- 010 |
| RHB INVESTMENT BANK BERHAD Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No : 088-258 618 | 087- 036 | RHB INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229 286 | 087- 057 |
| UOB KAY HIAN SECURITIES (M) SDN BHD 11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090 | 078- 011 | | |
| SARAWAK | | | |
| AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1 st , 2 nd & 3 rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : 082-244 791 | 086- 005 | CIMB INVESTMENT BANK BERHAD Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 606 | 065- 004 |
| CIMB INVESTMENT BANK BERHAD No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367 700 | 065- 008 | AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) Ground Floor & 1 st Floor No. 1, Jalan Pending 1 st Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999 | 068- 005 |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
|--|-----------------|---|-----------------|
| AFFIN HWANG INVESTMENT BANK BERHAD (formerly known as HwangDBS Investment Bank Berhad) No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008 | 068-016 | KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577 | 073-002 |
| KENANGA INVESTMENT BANK BERHAD Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000 | 073-003 | KENANGA INVESTMENT BANK BERHAD No. 11-12, (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313 855 | 073-012 |
| KENANGA INVESTMENT BANK BERHAD Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588 | 073-018 | KENANGA INVESTMENT BANK BERHAD Suite 9 & 10, 3 rd Floor, Yung Kong Abell Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877 | 073-036 |
| RHB INVESTMENT BANK BERHAD Lot 1268, 1 st & 2 nd Floor Lot 1269, 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422 788 | 087-012 | RHB INVESTMENT BANK BERHAD Lot 170 & 171 Section 49, K.T.L.D Jalan Chan Chin Ann 93100 Kuching Sarawak Tel No.: 082-422 252 | 087-008 |
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100 | 087-050 | RHB INVESTMENT BANK BERHAD 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100 | 087-013 |
| RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770 | 087-053 | | |

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name, Address and Telephone Number | ADA Code | Name, Address and Telephone Number | ADA Code |
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| TA SECURITIES HOLDINGS BERHAD 12G, Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998 | 058-002 | TA SECURITIES HOLDINGS BERHAD 2 nd Floor, (Bahagian Hadapan) Bangunan Binamas Lot 138, Section 54 Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333 | 058-006 |

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